

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. Contract ID Code Firm-Fixed-Price		Page 1 Of 35	
2. Amendment/Modification No. 37		3. Effective Date 2004FEB03		4. Requisition/Purchase Req No. SEE SCHEDULE		5. Project No. (If applicable)	
6. Issued By TACOM WARREN BLDG 231 AMSTA-AQ-AHEA LORETTA BURSEY (586)574-8115 WARREN, MICHIGAN 48397-5000 HTTP://CONTRACTING.TACOM.ARMY.MIL EMAIL: BURSEYL@TACOM.ARMY.MIL		Code W56HZV		7. Administered By (If other than Item 6) DCMA DETROIT U.S. ARMY TANK & AUTOMOTIVE COMMAND (TACOM) ATTN: DCMAE-GJD WARREN, MI 48397-5000		Code S2305A	
				SCD A PAS NONE ADP PT HQ0337			
8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code) GENERAL DYNAMICS LAND SYSTEMS INC. 38500 MOUND ROAD STERLING HEIGHTS, MI. 48310-3260 TYPE BUSINESS: Large Business Performing in U.S.				<input type="checkbox"/>		9A. Amendment Of Solicitation No.	
				<input type="checkbox"/>		9B. Dated (See Item 11)	
				<input checked="" type="checkbox"/>		10A. Modification Of Contract/Order No. DAAE07-01-G-N001/0002	
				<input type="checkbox"/>		10B. Dated (See Item 13) 2000MAR13	
Code 7W356		Facility Code					
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing items 8 and 15, and returning _____ copies of the amendments: (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. Accounting And Appropriation Data (If required) SEE SECTION G							
13. THIS ITEM ONLY APPLIES TO MODIFICATIONS OF CONTRACTS/ORDERS							
KIND MOD CODE: 8 It Modifies The Contract/Order No. As Described In Item 14.							
<input type="checkbox"/>		A. This Change Order is Issued Pursuant To: The Contract/Order No. In Item 10A.				The Changes Set Forth In Item 14 Are Made In	
<input type="checkbox"/>		B. The Above Numbered Contract/Order Is Modified To Reflect The Administrative Changes (such as changes in paying office, appropriation data, etc.) Set Forth In Item 14, Pursuant To The Authority of FAR 43.103(b).					
<input type="checkbox"/>		C. This Supplemental Agreement Is Entered Into Pursuant To Authority Of:					
<input checked="" type="checkbox"/>		D. Other (Specify type of modification and authority)					
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return _____ copies to the Issuing Office.							
14. Description Of Amendment/Modification (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) SEE SECOND PAGE FOR DESCRIPTION							
15A. Name And Title Of Signer (Type or print)				16A. Name And Title Of Contracting Officer (Type or print) RICHARD K. KULCZYCKI KULCZYCR@TACOM.ARMY.MIL (586)574-7299			
15B. Contractor/Offeror (Signature of person authorized to sign)		15C. Date Signed		16B. United States Of America By _____ /SIGNED/ (Signature of Contracting Officer)		16C. Date Signed 2004FEB03	
NSN 7540-01-152-8070 PREVIOUS EDITIONS UNUSABLE				30-105-02		STANDARD FORM 30 (REV. 10-83) Prescribed by GSA FAR (48 CFR) 53.243	

Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

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SECTION A - SUPPLEMENTAL INFORMATION

- The purpose of this Modification 37, a Supplemental Agreement is to incorporate the AIM PY6 Labor Requirements as follows:
 - Incorporate SubClins 0006AD and 0006AE as funding for PY6 Labor Assembly to convert a quantity of 125 Vehicle Material Sets to full M1A1 AIM Vehicles. This action includes IVO labor, and the material and labor adjustments associated with the change in the PY6 requirements in which six 8th year vehicles will be inducted in lieu of six 10th year vehicles. The total amount of the action (0006AD @ \$35,075,000) and 0006AE @ \$3,125,000.00) is \$38,200,000.00.
 - Incorporate SubClin 0006AF in the total amount of \$473,491.00 as funding for the acquisition of six sets of unique eighth year vehicle material. The material is identified in contractor's proposal number M916R21A dated December 19, 2003 and supporting data (68 pgs).
 - Incorporate SubClin 0002AG in the total amount of \$187,500.00 as funding for Defective Government Material.
 - Incorporate clause H.31 "PY6 Program 8th Year Vehicles Induction Change, Credit/Consideration Contractor Owes to Government". The parties agree that as a result of introducing six 8th year vehicles into the AIM PY6 program; the Contractor owes the Government a credit for the six sets of unique 10th year material being displaced as a result of introducing the 8th year vehicles. The parties agree that the six sets of 10th year unique material have a value of \$35,802.00 each. It is agreed that the Government may apply the available vehicle material credit for future induction call ups of 10th year vehicles.
 - Incorporates the new part number for the Upgraded Tank Commander's Panel. As a result clauses C.3.5.4 for PY5 and C.3.6.2 for PY6 are revised to change the UTCP P/N from 12993545 to 12473169.
- The parties agree that the negotiated price for the six 8th year vehicles is based on the armor definition (material and labor) as identified in PY5, any changes in the armor definition will be incorporated as a change order.
- The parties agree to incorporate the Performance Based Payment Plan for PY6 Labor by March 31, 2004.
- The Delivery Schedule for the 125 PY6 Vehicles is incorporated as clause F.4.4.2.
- As a result of this Modification 37, the following clauses have been revised/incorporated:
 - Clauses C.3.6 and C.3.6.1 are revised to reflect the change in vehicle inductions to include six 8th year vehicles.
 - Clause C.3.6.2 revised to reflect the added scope of work as a result of the incorporation on PY6 Labor.
 - Clause C.3.6.2.1, C.3.6.2.1.1 and C.3.6.2.1.2 added to reflect the scope of work for the six eighth year vehicles and additional scope of work requirements.
 - Clause F.4.4.2 incorporated to reflect the PY6 vehicle delivery schedule.
 - Clause H.27.4 incorporated to reflect the parties agreement to incorporate the PY6 Labor PBP plan by March 31, 2004.
 - Clause H.31 incorporated to reflect the credit owed to the government as a result of the induction of 8th year vehicles.
- The contractor's approved Subcontracting Plan for this action dated February 3, 2004 is incorporated in the contract file.
- The contractor's certificate of current cost or pricing data dated February 3, 2004 is incorporated in the contract file.
- As a result of the above, the total contract price is increased by \$38,860,991.00 from \$193,952,937.15 to \$232,813,928.15.
- Changes to the below pages are marked by an asterisk:

<u>SECTION</u>	<u>DELETE PAGE #</u>	<u>ADD PAGE #</u>	<u>DESCRIPTION</u>
B	--	7a(4),7n & 7o	Add SubClins 0002AG, 0006AD, 0006AE, 0006AF
C	13d - 13i	13d - 13i	Revise C.3.6, C.3.6.1, Add C.3.6.2.1
F	22b	22b	Add F.4.4.2
G	--	25p	Add G Page
H	36 & 36a	36 & 36a	Add H.27.4 and H.31

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Attch II Attach II Attach II Revise PY6 GFM to include 8th yr armor)

10. Except as provided herein, all other terms and conditions of the delivery order remain unchanged and in full force and effect.

*** END OF NARRATIVE A 044 ***

Name of Offeror or Contractor: GENERAL DYNAMICS LAND SYSTEMS INC.

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0002AG	SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS				
	<u>SERVICES LINE ITEM</u>				\$ 187,500.00
	NOUN: AIM DEFECTIVE GOVT MATL				
	PRON: 474AIM1347 PRON AMD: 01 ACRN: AS				
	AMS CD: 123207NC000				
	<u>Inspection and Acceptance</u>				
	INSPECTION: Origin ACCEPTANCE: Origin				
	<u>Deliveries or Performance</u>				
	DLVR SCH	PERF COMPL			
	<u>REL CD</u> <u>QUANTITY</u> <u>DATE</u>				
	001 0 30-SEP-2005 (E)				
	\$ 187,500.00				

Name of Offeror or Contractor: GENERAL DYNAMICS LAND SYSTEMS INC.

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0006AD	<div><div><div>DELIVERABLE SERVICE</div><div>NOUN: AIM PY6 LABOR FOR 125 TANKS PRON: 474AIM1247 PRON AMD: 01 ACRN: AS AMS CD: 123207NC000</div><div>Packaging and Marking</div><div>Inspection and Acceptance INSPECTION: Origin ACCEPTANCE: Origin</div><div>Deliveries or Performance DOC </div></div></div>				

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Name of Offeror or Contractor: GENERAL DYNAMICS LAND SYSTEMS INC.

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0006AE	<p><u>DELIVERABLE SERVICE</u></p> <p>125</p> <p>NOUN: AIM PY6 LABOR INSTL MOD KITS PRON: 474APM1047 PRON AMD: 01 ACRN: AT AMS CD: 31206406017</p> <p><u>Packaging and Marking</u></p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL REL CD MILSTRIP ADDR SIG CD MARK FOR TP CD 001 000000 3 DEL REL CD QUANTITY DEL DATE 001 125 30-JUN-2005</p> <p>FOB POINT: Origin</p> <p>SHIP TO: <u>PARCEL POST ADDRESS</u> (Y00000) SHIPPING INSTRUCTIONS FOR CONSIGNEE (SHIP-TO) WILL BE FURNISHED PRIOR TO THE SCHEDULED DELIVERY DATE FOR ITEMS REQUIRED UNDER THIS REQUISITION.</p> <p><u>CONTRACT/DELIVERY ORDER NUMBER</u> DAAE07-01-G-N001/0002</p>	125	LO	\$ ** N/A **	\$ 3,125,000.00
0006AF	<p><u>SERVICES LINE ITEM</u></p> <p>NOUN: AIM PY6 8TH YR MATL PRON: 474AIM1547 PRON AMD: 01 ACRN: AS AMS CD: 123207NC000</p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DLVR SCH PERF COMPL REL CD QUANTITY DATE 001 0 30-JUN-2005</p> <p>\$ 473,491.00</p>				\$ 473,491.00

Name of Offeror or Contractor: GENERAL DYNAMICS LAND SYSTEMS INC.

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT
020b06040202020204 020b06040202020204 020b06040202020204 020b06040202020204 020b06040202020204 020b06040202020204
020b06040202020204
C.1 General

C.1.1. The Abrams Integrated Management (AIM) Program is designed to produce a rebuilt vehicle in accordance with Army Regulation (AR) 750-2. The regulation defines rebuild as "Restores an item as nearly as possible to original or new condition in appearance, performance and life expectancy, accomplished through complete disassembly, inspection of all components and repair/replacement of worn or unserviceable items using original manufacturing tolerances and specifications." To rebuild the tank to "like new" condition will increase readiness and reduce Operations & Support (O&S) cost. The methodology to achieve a rebuild vehicle shall be established by Anniston Army Depot (ANAD) and General Dynamics Land System (GDLS) through determining the most economical means to achieve the rebuild criteria of AR 750-2.

C.1.2 Under this program, the M1A1 tanks will be stripped at Anniston Army Depot (ANAD). Engines will be inducted in the ANAD SLE Program. The Contractor will induct the stripped M1A1 hulls, SLE engines and other recycled and upgraded components provided by ANAD into the existing production line at Lima Tank Plant and rebuilt to the latest baseline configuration as listed in paragraph C.3.

C.2 Contract Data Requirements

The Contractor shall prepare technical data and financial reports in the format, scope specified and furnished with the Contract Data Requirements List, DD Form 1423 (Exhibit A).

C.3 Vehicle Baseline

The M1A1 Abrams AIM tanks shall be manufactured in accordance with the Prime Item Fabrication Specification SC-X-10020, Revision K dated 14 January 1993 including SCNs 1,2,3,4,5, 6,7,10 and ECP H8T2024 (Eyesafe Laser Rangefinder Gunner's Primary Sight) and the Final Inspection Record for Tank, Combat, Full Tracked, 120 MM Gun, M1A1, Revision FL, QF-8750015, dated 13 Mar 1993, as impacted by SCNs 1,2,3,4,5,6,7,10 and ECP H8T2024. The Prime Item Specification, ECP Listing and Specification Addendum (Exhibit B) will establish the AIM vehicle baseline configuration for this contract.

C.3.2 The Prime Item Specification is revised to include the revisions identified by A10 designator (SC-X-10020-A10, dated 3 March 2000).

C.3.3 Vehicle Baseline "Production Year Four (PY4)

C.3.3.1 The contractor agrees to purchase material sets to support Anniston Army Depot's inductions and deliveries, and its own delivery schedule for the PY4 Program. The vehicles to be inducted into the PY4 Program will be 10th and 11th year configurations. The contractor shall purchase sufficient materials to produce AIM tanks in accordance with Section C of this contract, and the technical description developed under the MAP contract DAAE07-96-C-X168 for the vehicle year configurations called up. Material sets for Anniston shall be as described in Clause C.7 as modified to produce AIM tanks from the vehicle year called up. The contractor shall determine the appropriate materials for its own use which will be substantially as described in Section C and Attachment 1, as modified for the vehicle configuration year called up.

C.3.3.2 The PY4 vehicle induction schedule is as follows: The vehicles will be inducted starting with the 11th year first in accordance with the delivery schedule as shown on the "AIM Overhaul Program Production Plan" dated 14 July 2000.

<u>Year Vehicle</u>	<u>Quantity</u>
10th	89
11th	46

C.3.3.4 In addition to the vehicle description in C.1.1, C.1.2, C.3 and C.3.2 above, the PY4 AIM Vehicles shall incorporate the following scope of work requirements:

- Installation of Block G Modification Kits (applies to 90 vehicles)
- Upgraded Tank Commander's Panel P/N 12993545, and UTCP Mounting Hardware
- M1A1D Kit A Weldments
- Removal of Old Serial Number Tag
- Installation of Turret Platform Block P/N 12549829
- Woodland Green Camouflage Paint
- ECP GDLT 9022 (per dropout factor)
- ECPs, GDLT 9018, GDLT 8876, GDLT 8798, GDLT 5434, GDLT 8872
- ECP G6T1018R1 Plugger (Material will be GFE)
- ECP GDLU 2165 Quick Disconnect (Material will be GFE)
- Electronic Muzzle Reference System (EMRS)
- Pulse Jet System (PJS)
- Slip Ring Mod Kits

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ECP GDLU 2149 (NBC Sponson Drain Valve)
ECP GDLU 2206 (Plate with new serial numbers)
ECP GDLU 2284 (Paint Free Surface on Antenna Base)
ECP GDLU 2239 (Latch Block Pin)
Trunnion Bearing, P/N 12323863 (100% Replacement)
Slide Mount Aftcapt Tray, P/N 12929075
Embedded Diagnostic (ECPs GDLU 2275, GDLU 2234, GDLU 2316)

C.3.3.5 The scope of work which requires the contractor to procure the Hull Network Box (HNB) and Turret Network Box (TNB) has been removed from the PY4 Requirement. In lieu of the HNB and TNB, PY4 vehicles will incorporate the Revised Hull Network Box and the Revised Turret Network Box (RTNB). The RHNB and RTNB will be furnished as GFM; as a result, the GFM list Attachment II is revised to include the RTNB and RHNB as well as the breakout of the required Block G Mod Kits.

C.3.3.5.1. AIM PY4 Incorporation of ECP G7T4318 "Revise Smoke Grenade Launcher Box", SubClin 0005AB

The contractor shall incorporate ECP G7T4318 titled "Revise Smoke Grenade Launcher Box" into the following 16 AIM PY4 vehicles: L10015, L10026, L10027, L10028U, L10035, L10142, L10047, L10053, L10054, L10060, L10065, L10100, D10044, D10050, D10163, D10084. The scope of work for this effort is as follows:

a. Modify two locating fixtures, one used for the left side and one used for the right side turret. Fixture modification is required because existing fixtures were developed around a new production turret build process that does not have all the other exterior weldments applied. In the case of these 16 vehicles the turret will have all the exterior weldments and brackets already applied; the contractor will need to modify their fixtures to work on a completed turret. (IT IS NOTED THAT THIS SCOPE OF WORK TO MODIFY FIXTURES WAS COMPLETED UNDER CONTRACT DAAE07-98-C-N002, MOD P00040)

b. Remove the eight old weldments from the turret structure, perform surface preparation for weld process and weld on eight new pads P/N 12273718-83.

c. The contractor shall then install the new Grenade Launcher Box P/N 81361-13-12-176 which will be provided as GFM for this effort. The GFM List, Attachment II dated Jan 2002 has been revised to reflect a quantity of 32 each, Grenade Launcher Box for PY4 to be applied to these 16 vehicles (serial numbers identified above).

C.3.3.5.2 AIM PY4 (ECP GDLU 2275) SOW for Removal and Installation of 17 Cables

The contractor is required to incorporate ECP GDLU 2275 into AIM PY4. ECP GDLU 2275 calls for a 96" cable to be installed into the AIM vehicles. It has been determined that the 96" cable is of the wrong length and an ECP is in process to correct this error. In the meantime, the contractor shall removed 96" cables from 9 PY4 vehicles identified at LATP in workstation 5993 and install 72" cable 12992347-072 into those vehicles. The contractor shall also install 72" cables in 8 vehicles identified in workstation 5940. FOR ECP GDLU 2275 THE 72" CABLE P/N 12992347-072 REPLACES THE 96" CABLE.

C.3.3.5.3 AIM PY4 Repair of Two Damaged Vehicles

C.3.3.5.3.1 The following scope of work is for the repair of two government owned AIM PY4 vehicles that were damaged while in transit after leaving the Lima Army Tank Plant. The scope of work is based on the contractor's Rough Order of Magnitude (ROM) titled "Train Wreck Repair Labor and Material dated April 15, 2003". It has been determined that one vehicle received more extensive damaged than the other, the vehicle that received the most damage is identified as Vehicle 1 and the lessor damaged vehicle is identified as Vehicle 2. The repair scope of work for these tanks is as follows:

C.3.3.5.3.2 The contractor shall perform the following Scope of Work for repair of Vehicle 1 as follows:

Remove approximately 40 broken Screws
Remove damaged 12337598 Plate Bustle Plate
Cut out Louvers and Plates
Cut off 12344524 Rear in Bustle (part of the 12344534 removal)
Remove Damaged Bustle Rack
Remove Both Ammo Racks
Clean Racks and remove burr on left side rack top tube
Remove damaged PLGR Antenna Cable
Remove and repair damaged Grille Doors (3) (Weld repair and grinding required)
Weld repair damage at the center of the nose. Weld build-up 4-inch area.
Clean inside of turret and hull
Pull Power Pack and determine the extent of damage to Right Cooler Fan and Drive
Replace bad hardware as required to resolve Fan issue
Clean Power Pack and Engine Compartment

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Locate Rear Bustle Plate and Louvers and weld in Place
 Locate and weld Environmental Cover in place.
 Locate and weld the Wind Sensor Mount and Support
 "Weld Tie Bars, Loops and Plates on the rear of Bustle"
 "Clean, Prime and Paint bare metal surfaces "
 Install PLGR Antenna Cable and Seal Flanges.
 Install Ammo Racks and Replace Seals and install Blow Off Panels
 Seal Blow Off Panels and pressure check
 Re-install repaired Grille Doors and Install New Grille Screens as required.
 Install Latches and Latch Hardware for Wind Sensor
 Install Wind Sensor.
 Remove and replace damaged Battery Door Handle.
 Replace Damaged Door Bezel on Battery Door
 Remove and replace damaged Main Gun Rear Thermal Tube and sand rough surface on the forward tube and prime area
 Weld new Handle on the Loader?s Hatch
 Prep Power Pack and install
 Install Top Deck and insure proper fit up
 Install new Turret Lock
 Complete Test and Accept Requirements(5993 and 5900 hours less Skirts and Radio Checks)
 Prep and Load-Mfg.
 Prep and Load-Insp.

C.3.3.5.3.3 The contractor shall perform the following Scope of Work for repair of Vehicle 2 as follows:

Replace Turret Lock Assembly
 "Do Fire Control self-test, Fire Inhibit, Stab Freq. Response, Computer Self Test, Embedded Diagnostics and Boresight Retention"
 Level Road Drift
 Prep and Load-Mfg.
 Prep and Load-Insp.

C.3.3.5.3.4. The parties agree that the contractor shall notify the Contracting Officer of any repairs needed for these two vehicles that is not covered under the above scope(s) of work. At that time the government shall determine whether or not to negotiate the cost and fee for the additional scope of work. The government has the option to provide the material as GFM.

C.3.3.6 Anniston Manufacturing Responsibility. For Production Year Four (PY4), Anniston Army Depot will provide the following:

<u>Part Number</u>	<u>Item</u>
12528312	Bore Evacuator
12529685	Handle
12529532	Cap, Contact
12529570	Contact Pin Assembly

C.3.4 Vehicle Baseline "Four (4) U.S. Army National Guard Vehicles

C.3.4.1 The contractor agrees to purchase material sets to support Anniston Army Depot inductions and deliveries, and its own delivery schedule for four Army National Guard vehicles. The contractor shall purchase sufficient materials to produce AIM tanks from a 11th year configuration inducted tank in accordance with Section C of this contract, the technical description of the 11th year configuration modifications developed under MAP Contract DAAE07-96-C-X168 and the following negotiated engineering changes: Upgraded Tank Commander's Panel (UTCP) P/N 12993545 and UTCP Mounting Hardware, Turret Platform Blocks P/N 12549829, Delete Armor Junction Box, M1A1 Kit A Weldments, ECP 9022, ECP 9018, ECP 8798, ECP 8876, ECP 5434, ECP G6T1018R1 PLGR (Material will be GFE), ECP GDLU 2165 Quick Disconnect (Material will be GFE), EPLRs, Removal of Old Serial Tank Numbers, Woodland Green Camouflage Paint . Material sets for Anniston shall be as described in Clause C.7 as modified to produce the AIM tanks from a 11th year configuration inducted tank. That contractor shall determine the appropriate materials for its own use which will be substantially as described in Section C and Attachment I, as modified for the 11th year configuration inducted tank.

C.3.4.2 In support of the four(4) National Guard vehicles, Anniston Army Depot will provide the following:

<u>Part Number</u>	<u>Item</u>
12528312	Bore Evacuator

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12529685

Handle

12529532

Cap, Contact

12529570

Contact Pin, Assembly

C.3.5 AIM Production Year Five (PY5) Program Requirements

C.3.5.1 The contractor shall provide the below items incorporated under SubClin 0004AA (PY5 Program Window/Glass Requirement) to support the AIM PY5 Material Requirements: NOTE QUANTITY WAS ORIGINALLY 135; HOWEVER DUE TO PY5 VEHICLE REDUCTION PART QUANTITIES WERE CHANGED TO 125. 10 UNITS EACH PREVIOUSLY PROCURED WILL BE USED FOR PY6 REQUIREMENTS.

<u>Nomenclature</u>	<u>Part Number</u>	<u>Quantity</u>
Beam Splitter	12988980	125
Window	12988979	125
Daylight Window	12932490	125
Radical Filter	12932488	125

C.3.5.2 PY5 Vehicle Material Sets

The contractor agrees to purchase material sets to support Anniston Army Depot's inductions and deliveries, and its own delivery schedule for the PY5 Program. The vehicles to be inducted into the PY5 Program will be 10th, 12th, 13th and 8th year configurations. The contractor shall purchase sufficient material to produce AIM tanks in accordance with Section C of this contract, and the technical description developed under the MAP contract DAAE07-96-C-X168 for the vehicle year configurations called up. Material sets for Anniston shall be as described in Clause C.7 as modified to produce AIM tanks from the vehicle year called up. The contractor shall determine the appropriate materials for its own use which will be substantially as described in Section C and Attachment 1, as modified for the vehicle configuration called up. IT IS NOTED THAT AIM PY5 MATERIAL WAS ORIGINALLY AWARDED FOR A QUANTITY OF 135 VEHICLE MATERIAL SETS; HOWEVER DUE TO PY5 VEHICLE LABOR REDUCTIONS, QUANTITY WAS CHANGED FROM 135 TO 125. 10 VEHICLES SETS PREVIOUSLY PROCURED WILL BE USED FOR PY6 REQUIREMENTS.

C.3.5.3 The PY5 vehicle induction schedule is as follows: The vehicles will be inducted starting with the 10th year first in accordance with the delivery schedule as shown on the "AIM Overhaul Program Production Plan" dated November 2001.

<u>Year Vehicle</u>	<u>Quantity</u>
10th	68
12th	29
13th	14
8th	14

*C.3.5.4 In addition to the vehicle description as shown in C.1.1, C.1.2, C.3 and C.3.2 above, the PY5 AIM Vehicles shall incorporate the following scope of work requirements:

- Installation of Block G Modification Kits
- *Upgraded Tank Commander's Panel P/N 12473169, and UTCP Mounting Hardware
- M1A1D Kit A Weldments
- Removal of Old Serial Number Tag
- Installation of Turret Platform Block P/N 12549829
- Woodland Green Camouflage Paint
- ECP GDLT 9022 (per dropout factor)
- ECPs 9018, GDLT 8876, GDLT 8798, GDLT 5434, GDLT 8872
- ECP G6T1018R1 Plugger
- ECP GDLU 2165 Quick Disconnect (Material will be GFE)
- Electronic Muzzle Reference System (EMRS)
- Pulse Jet System (PJS)
- Slip Ring Mod Kits
- ECP GDLU 2149 (NBC Sponson Drain Valve)
- ECP GDLT 2206 (Plate with new serial number)
- ECP 2284 (Paint Free Surface on Antenna Base)
- ECP GDLT 2239 (Latch Block Pin)
- Trunnion Bearings, P/N 12323863 (100% Replacement)
- Slide Mount Aftcap Tray
- Embedded Diagnostics (ECPs GDLU 2275, GDLU 2234, GDLU 2316)
- ECPs GDLU 2256, GDLU 2262, GDLU 2268, GDLU 2257 and GDLU 2253 (per drop out factor)
- ECP GDLU2200 (J Plate Stiffener)
- ECP G2T4106 (Loc Report Systems)

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ECP GDLU2239 (Ammo Door Bracket)
ECP GDLU2225 (Hydraulic Quick Disconnect Relocation)
ECP GDLU6235 (NBC Cooling Turbine Bearings)
ECP GDLU2297 (Personnel Heater Sources of Supply)
ECP LOT3002R1 (Ammo Rack Guide Deletion)
Race Ring Drain Hole Relocation
Remove "Grind" Off Both the Old Serial Number and Old Registration Number

C.3.5.5 Anniston Manufacturing Responsibility. For Production Year Five (PY5), Anniston Army Depot will provide the following:

<u>Part Number</u>	<u>Item</u>
12528312	Bore Evacuator
12529685	Handle
12529532	Cap, Contact
12529570	Contact Pin, Assembly

C.3.5.6 Armor Upgrades PY5

C.3.5.6.1 AIM PY5 will induct 14 eighth year vehicles which will receive front and side armor. Armor is to be upgraded on M1A1 8th year vehicles from the Contractor Furnished Material front/side turret armor configuration to the current M1A1/M1A2 Government Furnished Material (GFM) heavy armor front/side armor configuration. Armor packages shall be GFM. The Contractor shall be required to develop procedures for the removal of and disposal of the vehicle armor currently in the vehicle and preparation of the vehicle for incorporation of GFM frontal and side heavy armor packages.

C.3.5.6.2 Engine Fuel Cell Relocation, PY5

AIM PY5 incorporates the following scope of work changes for the Engine Fuel Cell Relocation:

- 1) ANAD will rework the reaction bracket and remove the three appurtenances for the left engine fuel cell; and GDLS will add three appurtenances in new locations to allow installation of the reclaimed left engine fuel cells and/or replacement new fuel cell.
- 2) ANAD will remove right front fuel cell "donut" during fuel bulkhead reclamation process, and GDLS LATP will release the -A10 drawing, locate and weld a new donut on at assembly.
- 3) ANAD is to check for bowed NBCj floors and repair if required. NO GDLS action.
- 4) ANAD is to check NBC pads and repair if required. NO GDLS action.
- 5) ANAD is to check for damaged engine compartment floor and repair if required. NO GDLS ACTION.
- 6) GDLS is to release the A10 drawing defining rework and trim the precleaner door angle at hull assembly.
- 7) ANAD is to check the rain gutter above the plenum and repair any defective welds.

C.3.5.7 PY5 Option for Five (5) AIM Vehicles

The clause incorporates the option for a quantity of AIM PY5 vehicles. The vehicles to be inducted for the option quantity will be 11th year configuration. The contractor shall purchase material sets to support Anniston Army Depot's inductions and deliveries, and its own delivery schedule for the option quantity. The contractor shall purchase sufficient material to produce AIM tanks in accordance with Section C of this contract and the technical description developed under the MAP contract DAAE07-96-C-X168 for the vehicle year called up. Material sets for Anniston shall be as described ini Clause C.7 as modified to produce AIM tanks from the vehicle year called up. The contractor shall determine the approporeiate materials for its own use which will be substantially as described in Section C and Attachment 1, and modified for the vehicle configuration called up.

C.3.5.7.1 In addition to the scope of work described in C.3.5.7 above, the Five PY5 Option Vehicles shall incorporate the scope of work as described in C.1.1., C.1.2, C.3, C.3.2, C.3.5.1 C.3.5.4, C.3.5.5, C.3.5.6.2.

C.3.5.8 AIM SOW For Storage of a Quantiy Up To 61 Vehicles (20 from PY4 and 41 from PY5) at LATP

C.3.5.8.1 PM Abrams has directed that 20 PY 4 vehicles (8 ea. May 03 vehicles, and 12 June 03 vehicles), and 41 PY5 AIM vehicles will require storage at LATP for consolidated shipment to Korea. The Scope Of Work for this effort is as described below (reference TACOM RFP dated 27 May 2003 and GDLS Proposal M-0916R45 dtd 18 June 2003).

C.3.5.8.2 The Contractor shall perform initial preparation for storage actions, a pre-shipping gymnastication of the recoil system

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exercise, as specified below. Eventually the contractor shall load and ship the vehicles in accordance with the provided shipping schedule. Maintenance will be performed quarterly by DCMA LATP personnel. The contractor will install final production batteries as a task for initial preparation. Lima Government personnel will monitor and be kept informed of all activities.

C.3.5.8.3 Initial Storage Preparation

C.3.5.8.3.1 The contractor shall park the vehicles for storage in the designated fenced East Parking lot.

C.3.5.8.3.2 The contractor shall perform the following tasks (it is noted that some of these task may already be required under normal operation) when they move the vehicles from the staging area to permanent storage in the East parking lot:

- a. Drive the vehicle to outside storage area.
- b. Install safety pin in the fire extinguisher system in crew compartment.
- c. Use production batteries.
- d. Dump all hydraulic pressure including park brake pressure.
- e. Secure the loader's hatch with a key lock. Obtain locks and keys from and return to the Government T&A QAR.
- f. Store the boxes containing the Loaders periscope and drivers center periscope.
- g. Tarp the air induction areas of the tank. Tarp will be provided by PM Abrams.
- h. Open hull and turret ammo doors. Bracing required.
- i. Add stabilizer to all four (4) fuel cells as required for long-term storage.
- j. All drain screens will be installed.
- k. Increase fuel in tank by 50 gallons per vehicle.
- l. Release pressure from one front fuel cap and one rear fuel cap.
- m. Hold 61 sets of the tank Gear normally packed inside of the tank until shipping.

C.3.5.8.3.3 Spill Plan Countermeasures

C.3.5.8.3.3.1 The contractor shall procure eight (8) garbage can mobile carts and twelve (12) bags of Peatsorb. Four (4) carts will be empty and four (4)will hold some bags of Peatsorb and the carts will be strategically placed, in case they are needed.

C.3.5.8.3.3.2 The contractor shall procure eight (8) oil absorbing socks that will be strategically positioned to capture any unexpected spills. These measures are necessary to satisfy 40 CFR 112.

C.3.5.8.3.3.3. In the event of a fuel spill or leak from the vehicle or the fueling system, the LATP Emergency Response Plan will be activated, when applicable.

C.3.5.8.3.3.4. Three (125 lb with/pull cart) fire extinguishers are required and will be provided by the government. It is noted that these fire extinguishers are currently in the possession of General Dynamics. The contractor will maintain them free of ice and snow with proper charge (fully charged/usable).

C.3.5.8.4 Prep, Load and Ship Vehicles

C.3.5.8.4.1 The contractor shall perform the following tasks:

- a. Drive the tank from the parking lot to the Shipping building.
- b. Exercise the main gun recoil mechanism, 3 extensions (Gymnastication). Update the gun record card after gymnastication is complete.
- c. Collect and Pack Gear to be stowed and shipped in tank
- d. Load and ship the vehicles in accordance with the Government provided schedule.

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e. Do optics purge as necessary.

C.3.5.8.4.2 Damaged to Vehicles While In Storage

The parties agree that any damage/defects that may occur to these 61 vehicles as a result of being in storage, will be repaired in accordance with clause B.9 "Resolution of Damaged/Defective Government Material (DGM)".

C.3.5.9 PY4/PY5 RXNB/UTCP Change Out Retrofit For 61 stored AIM Vehicle - Phase I REMOVAL OF HARDWARE

C.3.5.9.1 As part of Phase I of the RXNB (RHNB plus RTNB) and UTCP Change Out Retrofit for the 61 stored vehicles (and per the directions issued under the Stop Work Order dated 23 Oct 03) the contractor shall perform the following scope of work:

C.3.5.9.1.1 The contractor shall remove forty nine (49) sets of RXNB/UTCP hardware and twelve sets (12) of RXNB (only) hardware to be used as seed to the RXNB/UTCP Retrofit Program. The hardware is required to be removed from vehicles currently being stored for the Korea program at LATP for shipment to GDC Canada by the following dates:

10 sets of RXNB/UTCP hardware by 10 Oct 03 (1st 10 to be packed and shipped to GDC)
9 sets of RXNB/UTCP hardware by 17 Oct 03
11 sets of RXNB only hardware by 24 Oct 03
11 sets of RXNB only hardware by 31 Oct 03

C.3.5.9.2 Twenty (20) sets of RXNBs, and thirty (30) UTCPs removed hardware shall be delivered to the LATP GFM Crib, ATTN: Millie Wilson. The remaining 41 RXNBs and (19 UTCPs that were shipped prior to the stop work order and 22 Oct 03 TACOM letter) shall be packed using Standard Commercial Packaging For Electronic Components for shipment to GDC Canada at the following address:

General Dynamics Canada
3785 Richmond Road
Ottawa, Ontario, Canada
K2H 5B7
ATTN: Tony Silvaroli
(613) 596-7364

C.3.5.9.3 The contractor is to ensure that the tanks hatch is closed and locked for storage condition.

C.3.5.9.4 DCMA GDLS will provide oversight of the RXNB/UTCP removal from the Government owned tanks.

C.3.5.9.5 The contractor agrees that the above schedule is a starting point minimum and the goal is to increase the pull schedule to 15 per week by 24 October 2003.

C.3.5.9.6 The contractor will ensure that sufficient assets are available to avoid a break in tank production for missing RXNB/UTCP components directly related to the above removal and shipment schedule.

C.3.5.10 PY4/PY5 RXNB/UTCP Change Out Retrofit For 61 stored AIM Vehicle - Phase II REINSTALLATION OF HARDWARE

C. 3.5.10.1 The contractor shall install the RHNB (P/N12993533), RTNB (P/N 12993531-1), and re-install the 49 each UTCPs, (already pulled from the Korean AIM Tanks, located in the LATP GFM crib) according to their respective Technical Manuals. On the remaining 12 tanks, with UTCPs only the RHNB and RTNB will be installed. After installation the contractor shall perform a vehicle re-qualification as follows:

(1) Circuit Breaker verification: Verify function of all CBs at both the Hull Networks Distribution Box and the Interconnecting Box.

(2) Perform Hull Networks Distribution Box and Interconnecting Box system checkout after vehicle modification.

a. Drivers Station:

1. Actuate Starter Only switch to verify function.

2. Verify that the Shift Selector is in the N position.

3. Start Engine. Verify that normal idle is 950 +/- 50 rpm, tach idle rpm is 1300 +/- 100 rpm, vehicle electrical power is 28 +/- .75 vdc.

4. Rotate the drivers throttle control twist grips backwards and maintain engine idle speed at a minimum of 1600 rpm while starting a suitable timing device. Record the time it takes for the first Pulse Jet System (PJS) pulse to occur after engine idle speed is maintained at a minimum of 1600 rpm. Verify that the first pulse occurs two minutes +/- 15 seconds after engine idle speed is

maintained at a minimum of 1600 rpm.

5. Verify Auto Cool Down by actuating Starter Only switch and verifying that the fuel fault light blinks at the Drivers Instrument Panel (DIP).

b. Loaders Station:

1. Verify Vehicle Intercommunications System (VIS) operation of all stations.
2. Start engine, set idle to tach idle. Actuate the Turret Blower Switch verify Nuclear Biological Chemical (NBC) system activation.
3. Check Ready Ammo Door operation.
4. Shut Down Vehicle.

c. Gunners Station:

1. Unlock the Gun Travel lock and Turret Travel Lock. Ensure area around the vehicle is clear for turret movement, and close the drivers hatch. Turn on turret power.
2. Check turret slew clockwise and counter clockwise in emergency mode and normal mode.
3. Make sure that the breech is closed, install the Main Gun Firing Circuit Tester, move the safe/ armed lever to armed, palm at the gunners station and actuate the trigger. Verify that the firing circuit tester light illuminates.
4. Perform at least one fire control system test.

d. Commanders Station:

1. Verify master and turret power On/Off at the Upgraded Tank Commanders Panel (UTCP)
2. Turret power On.
3. Verify auxiliary hydraulic pump operation (On /Off control) at the UTCP.
4. Verify commanders weapon station operation by checking powered slew and safe/arm operation.
5. Start engine, set idle to tach idle. Verify NBC main operation. Shut down the engine. Actuate the NBC back up switch to verify NBC back up operation.
6. Verify UTCP panel light intensity control.
7. Verify UTCP light test.
8. Verify that the Gun Travel Lock and Turret Travel Lock are locked.
9. Open drivers hatch. Palm at the commanders station. Move the switch to the on position. Hatch open gun turret drive inactive light illuminates on the drivers alert panel. Drivers hatch open light on commanders alert panel remains on. Turret hydraulic power valves are on.
10. Turret power Off, master power Off.

C. 3. 5. 10.3 After completion of the vehicle re-qualification, the contractor shall restore the vehicle to storage condition.

C.3.5.10.4 DCMC shall be responsible to verify that GDLS complies with their SOW. They are authorized to conduct any or all inspections and tests identified in the SOW, either jointly (preferred) with the contractor or independently (upon completion of GDLSs inspections and test).

C.3.5.11 PY5 RXNB Change Out Retrofit for 32 AIM Vehicles - Phase I and Phase II (Removal and Reinstallation)

C.3.5.11.1 The contractor shall remove and reinstall the RHNB (P/N 12993533), and RTNB (P/N 12993531-1) in the following AIM PY5 Vehicles according to their respective Technical Manuals:

<u>Production Vehicles</u>	<u>Quantity</u>
November 2003	11
December 2003	10
January 2004	10

C.3.5.11.2 After reinstallation, the contractor shall perform a vehicle re-qualification as follows:

(1) Circuit Breaker verification: Verify function of all CBs at both the Hull Networks Distribution Box and the Interconnecting Box.

(2) Perform Hull Networks Distribution Box and Interconnecting Box system checkout after vehicle modification.

a. Drivers Station:

1. Actuate Starter Only switch to verify function.
2. Verify that the Shift Selector is in the N position.
3. Start Engine. Verify that normal idle is 950 +/- 50 rpm, tach idle rpm is 1300 +/- 100 rpm, vehicle electrical power is 28 +/- .75 vdc.
4. Rotate the drivers throttle control twist grips backwards and maintain engine idle speed at a minimum of 1600 rpm while starting a suitable timing device. Record the time it takes for the first Pulse Jet System (PJS) pulse to occur after engine idle speed is maintained at a minimum of 1600 rpm. Verify that the first pulse occurs two minutes +/- 15 seconds after engine idle speed is

maintained at a minimum of 1600 rpm.

5. Verify Auto Cool Down by actuating Starter Only switch and verifying that the fuel fault light blinks at the Drivers Instrument Panel (DIP).

b. Loaders Station:

1. Verify Vehicle Intercommunications System (VIS) operation of all stations.
2. Start engine, set idle to tach idle. Actuate the Turret Blower Switch verify Nuclear Biological Chemical (NBC) system activation.
3. Check Ready Ammo Door operation.
4. Shut Down Vehicle.

c. Gunners Station:

1. Unlock the Gun Travel lock and Turret Travel Lock. Ensure area around the vehicle is clear for turret movement, and close the drivers hatch. Turn on turret power.
2. Check turret slew clockwise and counter clockwise in emergency mode and normal mode.
3. Make sure that the breech is closed, install the Main Gun Firing Circuit Tester, move the safe/ armed lever to armed, palm at the gunners station and actuate the trigger. Verify that the firing circuit tester light illuminates.
4. Perform at least one fire control system test.

d. Commanders Station:

1. Verify master and turret power On/Off at the Upgraded Tank Commanders Panel (UTCP)
2. Turret power On.
3. Verify auxiliary hydraulic pump operation (On /Off control) at the UTCP.
4. Verify commanders weapon station operation by checking powered slew and safe/arm operation.
5. Start engine, set idle to tach idle. Verify NBC main operation. Shut down the engine. Actuate the NBC back up switch to verify NBC back up operation.
6. Verify UTCP panel light intensity control.
7. Verify UTCP light test.
8. Verify that the Gun Travel Lock and Turret Travel Lock are locked.
9. Open drivers hatch. Palm at the commanders station. Move the switch to the on position. Hatch open gun turret drive inactive light illuminates on the drivers alert panel. Drivers hatch open light on commanders alert panel remains on. Turret hydraulic power valves are on.
10. Turret power Off, master power Off.

C. 3. 5. 11.3 After completion of the vehicle re-qualification, the contractor will continue through normal production procedures to prepare the vehicles for shipment.

C.3.5.11.4 DCMC shall be responsible to verify that GDLS complies with their SOW. They are authorized to conduct any or all inspections and tests identified in the SOW, either jointly (preferred) with the contractor or independently (upon completion of GDLSs inspections and test).

*C.3.6. PY6 Vehicle Material Sets

The contractor agrees to purchase material sets to support Anniston Army Depot's inductions and deliveries, and its own delivery schedule for the PY6 Program. The vehicles to be inducted into the PY6 Program will be 10th, 11th 13th and 8th year configurations. The contractor shall purchase sufficient material to produce AIM tanks in accordance with Section C of this contract, and the technical description developed under the MAP contract DAAE07-96-C-X168 for the vehicle year configurations called up. Material sets for Anniston shall be as described in Clause C.7 as modified to produce AIM tanks from the vehicle year called up. The contractor shall determine the appropriate materials for its own use which will be substantially as described in Section C and Attachment 1, as modified for the vehicle configuration called up.

*C.3.6.1 The PY6 vehicle induction schedule is as follows: The vehicles will be inducted starting with the 10th year first in accordance with the delivery schedule as shown in Section F, clause F.4.4.2.

<u>Year Vehicle</u>	<u>Quantity</u>
10th	104
11th	5
13th	10
8th	6

C.3.6.2 In addition to the vehicle description as shown in C.1.1, C.1.2, C.3 and C.3.2 above, the PY6 AIM Vehicles shall incorporate

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the following scope of work requirements:

Installation of Block G Modification Kits
 *Upgraded Tank Commander's Panel P/N 12473169, and UTCP Mounting Hardware
 M1A1D Kit A Weldments
 Removal of Old Serial Number Tag
 Installation of Turret Platform Block P/N 12549829
 Woodland Green Camouflage Paint
 ECP GDLT 9022 (per dropout factor)
 ECPs 9018, GDLT 8876, GDLT 8798, GDLT 5434, GDLT 8872
 ECP G6T1018R1 PLGR
 ECP GDLU 2165 Quick Disconnect (Material will be GFE)
 Electronic Muzzle Reference System (EMRS)
 Pulse Jet System (PJS)
 Slip Ring Mod Kits
 ECP GDLU 2149 (NBC Sponson Drain Valve)
 ECP GDLT 2206 (Plate with new serial number)
 ECP 2284 (Paint Free Surface on Antenna Base)
 ECP GDLT 2239 (Latch Block Pin)
 Trunnion Bearings, P/N 12323863 (100% Replacement)
 Slide Mount Aftcap Tray
 Embedded Diagnostics (ECPs GDLU 2275, GDLU 2234, GDLU 2316)
 ECPs GDLU 2256, GDLU 2262, GDLU 2268, GDLU 2257 and GDLU 2253 (per drop out factor)
 ECP GDLU 2200 (J Plate Stiffener)
 ECP G2T4106 (Loc Report Systems)
 ECP GDLT 8891 (Dry Powder Engine Fire Extinguisher)
 ECP GDLU 2239 (Ammo Door Bracket)
 ECP GDLU 2225 (Hydraulic Quick Disconnect Relocation)
 ECP GDLU 6235 (NBC Cooling Turbine Bearings)
 ECP GDLU 2297 (Personnel Heater Sources of Supply)
 ECP LOT3002R1 (Ammo Rack Guide Deletion)
 *Race Ring Drain Hole Relocation
 *Remove "Grind Off" Both the Old Serial Number and Old Registration Number
 *ECP GDLU 6245 (NBC Stainless Steel Bolts) (Labor Only)
 *ECP GDLU 6193 (New Shipping and Stowage Specification) (Labor Only)
 *ECP GDLU 6271 (Fire Bottle Guard) (Labor Only)
 *ECP GDLU 6298 (Upgraded Tank Commander's Panel) (Labor Only)
 *ECP GDLU 6302 (EE Seal) (Labor Only)
 *ECP GDLU 6309 (Orifice Tee) (No Cost ECP)
 *ECP GDMY 0707 (Transmission Cable) (Labor Only)
 *ECP GDMY 1842 (NBC Weld Pads) (Labor Only)
 *ECP GDMY 1962 (New DECU Sidecar Bracket) (GFM item)
 *ECP GDLU 6311 (new RHNB Part Number) (GFM item)
 *ECP GDLU 6320 (new RTNB Part Number) (GFM item)

*C.3.6.2.1. PY6 Armor Upgrades (Induction of 8th Year Vehicles)

*C.3.6.2.1.1 AIM PY6 will induct six eighth year vehicles which will receive front and side armor. Armor is to be upgraded on M1A1 8th year vehicles from the Contractor Furnished Material front/side turret armor configuration to the current M1A1/M1A2 Government Furnished Material (GFM) heavy armor front/side armor configuration. Armor packages shall be GFM. The Contractor shall be required to develop procedures for the removal of and disposal of the vehicle armor currently in the vehicle and preparation of the vehicle for incorporation of GFM frontal and side heavy armor packages.

*C.3.6.2.1.2 The contractor shall incorporate the following scope of work changes for PY6 Vehicles:

- a. "Torque Testing Studs In The NBC Box" - GDLS Lima shall remove the old studs and install the new studs.
- b. " Tow Pintle Spacer P/N 12274621 Change" - The contractor shall purchase the Spacer P/N 12274621 for the tow pintle. This spacer was an ANAD reclaim item, but it did not seat properly due to excess weld interference.

C.3.6.3 AIM Production Year Six (PY6) Program Requirements

C.3.6.3.1. The contractor shall provide the below items to support the AIM PY6 Material Requirements (it is noted that 10 sets were

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moved from PY5 as described in C.3.5.1. above)

<u>Nomenclature</u>	<u>Part Number</u>	<u>Quantity</u>
Beam Splitter	12988980	125
Window	12988979	125
Daylight Window	12932490	125
Radical Filter	12932488	125

C.3.6.4 Anniston Manufacturing Responsibility. For Production Year Six (PY6), Anniston Army Depot will provide the following:

<u>Part Number</u>	<u>Item</u>
12528312	Bore Evacuator
12529685	Handle
12529532	Cap, Contact
12529570	Contact Pin, Assembly

C.3.6.5 PY6 Material Acquisition of Fratricide Bars

The contractor shall provide the following National Stock Numbers and quantities of Fratricide Bars in support of the PY6 Material Requirements, (this action is funded under SubClin 0006AC):

Nomenclature	NSN	Qty
Fratricide Bars	1015-01-203-3347	135
Fratricide Bars	1015-01-203-3346	270
Fratricide Bars	1015-01-203-3335	270
Fratricide Bars	2590-01-197-8093	675
Fratricide Bars	1015-01-203-3334	270
Fratricide Bars	1015-01-203-3351	270
Fratricide Bars	1015-01-203-3345	270
Fratricide Bars	1015-00-200-4331	675
Fratricide Bars	1015-01-197-4932	810
Fratricide Bars	1015-00-203-3336	3510

C.4 Limited Technical Inspection

A limited technical assessment on selected M1A1 tanks will be conducted by a joint team of ANAD and Contractor personnel. The assessment will provide current configuration and condition of each vehicle. The Government/ANAD shall be responsible for any missing LRU/SRU on tanks inducted at ANAD to be supplied to the Contractor at LATP as reclaim material.

C.5 Disassembly of Tank

C.5.1 Reserved

C.5.2 Disassembly. Disassembly of the tank and all components, as applicable, shall be in accordance with the intent of accepted Government TMs, DMWRs and/or GDLS procedures.

C.5.3 Disposal. Items, which are determined to be not usable, shall be disposed of using existing ANAD and GDLS disposal procedures.

C.5.4 Use "As Is" Disassembled components deemed reusable shall be cleaned, painted, reassembled, inspected, and reinstalled. Those components for which no build/repair criteria exists shall be cleaned, painted, and reinstalled as untested items with final acceptance after installation in vehicle; i.e. brackets, crosswind sensor, fire sensors, etc. Gun tubes shall be reused if at least 40% of the total life remains.

C.6 Rebuild Components

C.6.1 During the rebuild process, the M1A1 shall be separated into major components. Each of these components which are identified by the work share agreement established between GDLS and ANAD shall be rebuilt. (Attachment I)

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C.6.2 GDLS shall rebuild Line Replaceable Units (LRUs), Shop Replaceable Units (SRUs), and components in accordance with applicable process and procedures. The Reliability Centered Maintenance (RCM) concept is not applicable to this program/contract.

C.7 Parts Support.

Procurement of new or replacement components shall be controlled by the Contractor. Part requirements will be defined through the list of materials to be procured for Anniston Army Depot as referenced in GDLS letter MPA 00-2472 dated 13 October 2000 as "Report No. LS36619011, dated 25 January 2001". The contractor may purchase any needed items from the Government Supply System. The Contractor agrees to cooperate with their partner, Anniston Army Depot, to purchase and provide the list of materials to meet the Anniston Army Depot schedule. Anniston Army Depot shall provide the Contractor a delivery schedule identifying when the parts will be required.

C.8 Hull and Turret Modifications

C.8.1 Hull and Turret Repair. Hull and turret structures and components shall be repaired and are to be to a "like new" condition. If an original weld numbered/serialized component is missing or damaged beyond repair, the new or remanufactured component shall be given the weld number/serial number of the original component.

The battery box shall be cleaned and all evidence of corrosion removed. The thickness of the horizontal support plate (less scale) shall be no less then 0.090 inches. Any condition other than described shall be repaired.

The front fuel cells shall be repaired if required. The front crossover tube shall be replaced.

The Contractor's activities under this contract shall be in accordance with the Contractor's approved Pollution Prevention Plan, and incorporated into this contract by reference.

C.8.2 Reserved

C.9 Conformance with Specifications, Drawings and Requirements

C.9.1 The AIM Abrams tank configuration shall meet the requirements of the Prime Item Fabrication Specification, ERR and ECPs outlined in paragraph C.3, Vehicle Baseline.

C.9.2 It is the responsibility of the Contractor to furnish the requisite drawings, specifications, and pertinent information to its subcontractors.

C.9.3 No exterior safety, instructional markings, vehicle registration, or five point stars shall be placed on the vehicle.

C.9.4 The vehicles shall be painted as follows:

<u>Production Year</u>	<u>CLIN/SubClin</u>	<u>Paint</u>
PY4 (135 Vehicles)	0001AA, 0001AB, 0001AC, 0001AD, 0001AE	Woodland Green Camouflage
PY5 (125 Vehicles)	0004AA, 0004AB,0004AC,0004AD,0004AE,0004AF,0004AF	Woodland Green Camouflage
PY6 (125 Vehicles)	0006AA, 0006AB	Woodland Green Camouflage
PY5 (5 Option Vehicles)	0004AK Woodland Green Camouflage	

C.9.5 Whenever Engineering Change Proposals (ECP's) are prepared by a Government Agency or Engineering Services Contractor which effect the portion of the current production configuration over which the Government retains control, the Contractor shall submit, within an average 60 working days of receipt of written ACO direction to incorporate a change, a proposal reflecting the increase or decrease of the unit and total costs of the change including tools and gages, cost of obsolescence or rework, disposal of hazardous waste, manufacturing cost estimates of parts involved and packaging when affected. A qualifying proposal, unless otherwise authorized by the ACO, will also be included in ECPs submitted by the contractor to the Administrative Contracting Officer (ACO).

C.9.6 Each Government Furnished Equipment Record Folder shall contain an Equipment Record Folder copy of Equipment Control DA Form 2408-9. The Contractor shall complete the DA Form 2408-9 and send the National Inventory Control Point (NICP) copy to TACOM, Material Management Directorate, ATTN: AMSTA-FRX, Warren, MI 48397-5000. The control page may be destroyed unless the Government requests special distribution (OT-90-12180).

C.10 Configuration Control

C.10.1 The Contractor has control of the AIM Technical Data Package with the exception that the Government retains full control over the Prime Item Product Specification and Final Inspection Report. The government maintains configuration control over all items provided as GFM. Any changes to items over which the government maintains configuration control requires approval by a Contracting Officer via execution of a contract modification.

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C.10.2 Changes (Change Requests (CR), waivers, deviations) to the M1A1 Abrams Technical Data Package may be made by the Contractor except for those areas controlled by the Government. The Government shall be notified of all changes made by the contractor in accordance with CDRL A002. The Contractor shall analyze all changes to determine the impact on the Logistics support functions/products. Logistics impacts shall be documented with the change on the Logistics impact summary form.

C.10.2.1 Changes (Common M1A2 SEP/M1A1 Changes). The contractor may incorporate common M1A2 SEP/M1A1 changes, which have no cost or performance impact, into the AIM technical data package without Contracting Officer approval. The Government shall be notified of all changes made by the contractor in accordance with CDRL A002. The Contractor shall analyze all changes to determine the impact on the Logistics support functions/products. Logistics impacts shall be documented with the change on the Logistics impact summary form.

C.10.3 The Government shall be allowed to electronically access the Contractor's Technical Data Package data base (ECARDs) and Change Managment data base (CMCS).

C.10.4 Changes impacting Logistics may be disapproved by the Government within five (5) working days after electronic notification of the change. The Government will be notified electronically of scheduled contract Configuration Control Board (CCB) meetings. Government representative's participation is at the Government's option.

C.11 Government Furnished Material)

C.11.1 The Government furnished items required to be installed in, or delivered with each Abrams Series Tank shall be furnished by the Government (in respective required quantities to support work in-process without work around or disruption) FOB appropriate contractor location according to the requirements lists shown in Attachment II. All handling, storage and installation costs are included in the vehicle price.

C.11.2 The items listed on Attachment II shall be furnished by the Government. The contractor is not to acquire the items listed on Attachment II except the refurbishment effort of the reclaimed Germanium I.R. Windows identified in C.11.2.1.

C.11.2.1 The Government shall furnish, as is, Germanium I.R. windows, part number 12466940 recovered from M1/M1A1 tanks. The Government will furnish to the contractor 1.2 salvaged windows per tank. The Government will ship the recovered windows to General Dynamics Anniston Operations. The contractor shall not include in the firm fixed price for 135 PY4 AIM vehicles, the cost of any Germanium material.

C.11.3 Government Furnished Material (PY5)

The provisions of clauses C.11.1, C.11.2 and C.11.2.1 above apply to AIM PY5 Vehicles.

C.11.4 Government Furnished Material (PY6)

The provisions of clauses C.11.1, C.11.2 and C.11.2.1 above apply to AIM PY6 Vehicles.

C.12 Class I Ozone Depleting Substances (CIODS)

C.12.1 Attachment III contains a list of specifications requiring Class I Ozone Depleting Substances and used in the M1A1 Technical Data Package. The Contractor shall comply with the instructions of the Attachment for each specification.

C.12.2 The following documents no longer require consideration:

MIL-STD-1344	TT-C-490	MIL-STD-794	O-T-620
MIL-S-22473	MIL-S-5002	MIL-C-85054	MIL-T-21200
QQ-P-35	MIL-L-60326	MIL-STD-2000	MIL-R-39016
ASTM A380	MIL-T-62340	FED-STD-151	MIL-HDBK-454

C.12.3 The following documents no longer require consideration as long as the contractor complies with the following (or subsequent)revisions to eliminate CIODs:

MIL-F-18264D, Amendment 2 (dated 31 May 94)
MIL-C-48497A, Amendment 2 (dated 30 Sep 93)
MIL-W-81822A, Amendment 2 (dated 15 Mar 94)
MIL-T-81955, Amendment 1 (dated 6 Sep 95)

C.12.4 The following documents have approved CIODs elimination clauses posted on the Acquisition Center web site which can be reached by using URL:www.tacom.army.mil/acqcen/ciods.html:

DOD-P-16232	MIL-W-22759	MIL-C-85049
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MIL-STD-171	MIL-C-39029
MIL-STD-186	QQ-P-416
MIL-STD-2175	MIL-C-81562

C.12.5 The contractor shall identify non-CIODs replacements for ASTM-D4126, MIL-C-81302 and MIL-T-81533 which meet all performance requirements and do not have deleterious effects on form, fit or function. If, for specific application, the contractor can not identify a suitable replacement for these materials, the contractor shall notify the Contracting Officer prior to the procurement and use of these materials for Government approval by a Senior Approval Official.

C.12.6 MIL-M-12218C Monobromotrifluoromethane (Halon 1301) has no current alternative. An appropriate waiver for use in a contract with the U.S. Government has been obtained. This waiver only authorizes the government to include Halon 1301 in the specifications in the contract and does not waive any other law, regulation, requirement or criteria relating to use of Halon 1301 the contractor may be required to comply with. (Attachment III)

C.12.7 ASTM E427-95, Paragraph 9.1.1 lists CFC-12 (a CIODs) as an option test gas. To eliminate CIODs, when meeting the requirements of paragraph 9.1.1 of ASTM E427-95 the contractor shall delete CFC-12 as an optional test gas and use HCFC-22 instead. HCFC-22 is a Class II Ozone Depleting Substance which is not mandated for elimination under the auspices of Public Law 102-484.

C.12.8 MIL-PRF-7024E (dated 1 Oct 97), Table 1 (page 5) requires particulate contamination testing in accordance with ASTM D2276. To eliminate CIODs, when meeting the requirements of Table 1 of MIL-PRF-7024 the contractor shall perform the particulate contamination testing in accordance with ASTM D2276-97. This test procedure has been revised to eliminate all CIODs references.

C.12.9 MIL-HDBK-808 (dated 18 Jul 96), Paragraph 5.3.1.1 (page 11) allows vapor degreasing and solvent cleaning with MIL-T-81533 or O-T-620 (methyl chloroform). To eliminate CIODs when meeting the requirements of paragraph 5.3.1.1 of MIL-HDBK-808 the contractor shall delete MIL-T-81533 and O-T-620 as optional cleaning and vapor degreasing solvents.

C.12.10 MIL-E-5400T, Amendment 3 (dated 14 May 90) is included on the list because paragraph 3.1.8 (page 7) requires cleaning operations be conducted in accordance with MIL-S-5002. To eliminate CIODs when meeting the requirements of paragraph 3.1.8 of MIL-E-5400 the contractor shall comply with MIL-S-5002D, Amendment 1 (dated 24 Mar 94).

C.12.11 MIL-T-28800 has recently been revised to MIL-PRF-28800F (dated 24 Jun 96) the contractor shall comply with this document--this performance specification eliminates all CIODs references.

C.12.12 MIL-F-14072D (dated 4 Oct 90) references a number of specification and standards which used to contain CIODs. To insure all CIODs application are eliminated for MIL-F-14072D, the contractor is required to comply with the following revisions to the specifications listed below. These revisions have specifically addressed CIODs eliminations:

MIL-P-23377G (30 Sep 94)
MIL-S-8802F, Amendment 4 (20 Jan 95)
MIL-C-22750F (31 May 94)
MIL-PRF-81733D (15 May 98)
TT-C-490D, Interim Amendment 1 (14 Sep 94)
MIL-C-53039A, Amendment 2 (19 May 93)

C.13 Pollution Prevention Plan

The Contractor's activities under this contract shall be in accordance with the Contractor's approved Pollution Prevention Plan, and incorporated into this contract by reference.

C.14 Heavy Armor NRC License

The contractor shall follow the requirements of GDLS NRC License SUB-1564 (#21-21068-01, Amd 13 - March 31, 2005), and the provisions of Attachment IV.

C.15 In-Process Reviews (IPRs)

The Program Management Team shall implement periodic IPRs to assure that program mission and objectives are achieved. Date, time agenda and location will be mutually agreed upon. Interchanges between the Contractor and Government shall be accomplished telephonically or by video conferencing whenever possible. Use of electronic media data exchange between contractor and Government is also preferred.

*Changed by Modification 37, Previously changed by Modification 35

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*** END OF NARRATIVE C 001 ***

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SECTION F - DELIVERIES OR PERFORMANCE

F.2 Variation in Quantity (Apr 1984) FAR 52.211-16

- a. Variation in the quantity of an item called for by this contract will not be accepted unless the variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and they only to the extent, if any, specified in paragraph (b) below.
- b. The permissible variation shall be limited to: ZERO percent increase; and ZERO percent decrease.

This increase or decrease shall apply to THE TOTAL CONTRACTUAL QUANTITY.

F.3 Stop-Work Order (1989 AUG) FAR 52.212-13

- F.3.1 The Contracting Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for be this Contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work orders issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Contracting Officer shall either -
- a. Cancel the stop-work order; or
- b. Terminate the work covered by the order as provided in the DEFAULT, or the TERMINATION FOR CONVENIENCE OF THE GOVERNMENT, clause of the Contract.

- F.3.2 If a stop-work order issued under this clause is cancelled or the period of the order or any extension thereof expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be modified, in writing, accordingly, if -
- a. The stop-work order results in an increase in the time required for, or in the Contractor?s cost properly allocable to, the performance of any part of this contract; and
- b. The Contractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided, that, if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon the claim submitted at any time before final payment under this Contract.

F.3.3 If a stop-work order is not cancelled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.

F.3.4 If a stop-work order is not cancelled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

F.4 Delivery Schedule

- F.4.1 PY4 135 Vehicle Material Sets (SubClins 0001AA, 0001AB): The Contractor will make every effort to provide PY4 material to meet Anniston's induction schedule starting in November 2001.
- F.4.1.2 AIM PY4 Vehicle Delivery: The 135 PY4 M1A1 AIM Vehicles awarded under SubClins 0001AA, 0001AB, 0001AC, 0001AD, and 0001AE shall be delivered in accordance with the following schedule at LATP:

2002						2003					
JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
6	13	12	14	7	11	12	12	12	12	12	12

F.4.2 Delivery Schedule for Four (4) National Guard Vehicles:

The delivery schedule for the four(4) U.S. Army National Guard Vehicles awarded under SubClin 0003AA is as follows:

2002

NOV

4

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F.4.2.1 Delivery Schedule for Two Repaired AIM PY4 Vehicles

The delivery schedule for the two AIM PY4 vehicles that were damaged in transit after leaving the Lima Army Tank Plant is 31 January 2004.

F.4.3 Delivery Schedule for PY5 Program (Window/Glass) Requirements

The contractor will deliver the (PY5 Program Window/Glass Requirement) incorporated under SubClin 0004AA to meet Anniston's induction schedule starting in November 2002.

F.4.3.1 PY5 135 Vehicle Material Sets (SubClins 0004AB, 0004AC, 0004AD): The Contractor shall deliver PY5 Vehicle Material Sets to meet Anniston's induction schedule starting in November 2002.

F.4.3.2 The 125 PY5 M1A1 AIM Vehicles awarded under SubClins 0004AA, 0004AB, 0004AC, 0004AD, 0004AE, 0004AF and 0004AG shall be delivered in accordance with the following schedule at LATP:

2003						2004					
JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
6	11	12	12	11	10	11	10	11	11	10	10

F.4.3.3 Abrams M1A1 8th Year Vehicles for AIM PY5 Production: The contractor shall develop an induction schedule with ANAD to provide for delivery of 8th year vehicles to LATP to minimize impact on ANAD and GDLS production. The fourteen 8th year vehicles will be the last deliveries made in May/June 2004 under PY5 production.

F.4.3.4 PY5 Option for Five AIM Vehicles: The delivery schedule for the option quantity is as follows:

2004

MAY JUN JUL

2 2 1

F. 4.3.5. Delivery Schedule/Loading Schedule for PY4/PY5 Vehicles for Shipment to Korea

F.4.3.5.1 The parties agree that the delivery and loading schedule for the first 93 AIM Vehicles designated for shipment to Korea is as follows:

<u>Ship Date</u>	<u>Qty of Veh</u>	<u>Identification of Vehicles</u>
30 Dec 03	30	8 ea from May 2003 (in storage) 11 ea from Jun 2003 (in storage) 11 ea from Nov 2003 (production)
30 Jan 2004	30	1 ea from Jun 2003 (in storage) 6 ea from Jul 2003 (in storage) 11 ea from Aug 2003 (in storage) 2 ea from Sep 2003 (in storage) 10 ea from Dec 2003 (production)
28 Feb 2004	30	10 ea from Sep 2003 (in storage) 9 ea from Oct 2003 (in storage) 11 ea from Jan 2004 (production)
30 Mar 2004	3	3 ea from Oct 2003 (in storage)

F.4.4 Delivery Schedule for PY6 Vehicle Material Sets:

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F.4.4.1 PY6 125 Vehicle Material Sets (SubClins 0006AA, 0006AB, 0006AC): The Contractor shall deliver PY6 Vehicle Material sets to meet Anniston's induction schedule starting in November 2003.

*F.4.4.2 PY6 125 Vehicles awarded under SubClins 0006AA, 0006AB, 0006AC, 0006AD and 0006AE shall be delivered in accordance with the following schedule at LATP:

2004						2005					
JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
6	11	11	12	12	7	12	12	12	8	8	8
									2	2	2 (8th year vehicles)

F.5 Advance Acceptance

Advance acceptance of AIM tanks is authorized in the month prior to scheduled deliveries provided that parts and materials are available.

F. 6 Data

Data furnished under this contract shall be delivered, FOB destination, to the addressee(s) indicated on the Contract Data Requirements List (CDRL). Such data shall be delivered on the dates set forth on the applicable CDRL, DD Form 1423.

F.7 Shipping Procedures

F.7.1 The supplies to be delivered as specified in the delivery schedule shall be shipped in accordance with the instruction of the Administrative Contracting Officer (ACO) or his duly authorized representative, whether in full load lots, or as a result of consolidating lots under the same or different contracts:

*Changed by Modification 37, Previously Changed by Modification 34

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SECTION G - CONTRACT ADMINISTRATION DATA

LINE	PRON/ AMS CD/ <u>ITEM</u> <u>MIPR</u>		OBLG STAT/ <u>JOB ORD NO</u>			INCREASE/DECREASE <u>AMOUNT</u>		CUMULATIVE <u>AMOUNT</u>
0002AG	474AIM1347 123207NC000 H14GA123AIM0	AS	2 4GA123	\$	0.00	\$	187,500.00	\$ 187,500.00
0006AD	474AIM1247 123207NC000 H14GA123AIM0	AS	2 4GA123	\$	0.00	\$	35,075,000.00	\$ 35,075,000.00
0006AE	474APM1047 31206406017 A14P30172R47	AT	2 4GAAPM	\$	0.00	\$	3,125,000.00	\$ 3,125,000.00
0006AF	474AIM1547 123207NC000 H14GA123AIM0	AS	2 4GA123	\$	0.00	\$	473,491.00	\$ 473,491.00
NET CHANGE					\$		38,860,991.00	

SERVICE <u>NAME</u>	NET CHANGE <u>BY ACRN</u>	<u>ACCOUNTING CLASSIFICATION</u>				ACCOUNTING <u>STATION</u>	INCREASE/DECREASE <u>AMOUNT</u>
Army	AS	21	42020000045R5R02P12320725FB	S20113		W56HZV	\$ 35,735,991.00
Army	AT	21	42033000045R5R02P31206431E9	S20113		W56HZV	\$ 3,125,000.00
NET CHANGE							\$ 38,860,991.00

		PRIOR AMOUNT <u>OF AWARD</u>		INCREASE/DECREASE <u>AMOUNT</u>		CUMULATIVE <u>OBLIG AMT</u>
NET CHANGE FOR AWARD:	\$	193,952,937.15	\$	38,860,991.00	\$	232,813,928.15

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SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.2 SUBCONTRACTING PLAN FOR SUBCONTRACT AWARDS TO SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS CONCERNS

H.2.1. In furtherance of the Government's policy of promoting the development of small disadvantaged business enterprises, the contractor agrees to award subcontracts to such enterprises, as they are defined in the clause hereof entitled. "Utilization of Small Business and Small Disadvantaged Business Concerns," to the maximum practicable extent consistent with efficient contract performance.

H.2.2. PY4 135 Vehicle Material Sets: The Contractor's Approved Small Business Subcontracting Plan, GDLS letter number MPA 01-0372 dated 15 February 2001 is incorporated into the contract by reference.

H.3. CONTRACT ORDER OF PRECEDENCE

In the event of an inconsistency between provisions of this contract, the inconsistency shall be resolved by giving precedence in the following order:

a. The detailed drawings and the Prime Item Product Fabrication Specification (in the event of a conflict regarding an M1A1c component, the detailed drawings take precedence over the Prime Item Product Fabrication Specification take precedence over the detailed drawings).

b. The schedule (excluding the Specifications), FAR 15.406-2.

c. Terms and Conditions of the Contract, if any.

d. General Provisions.

e. Other provisions of the contract, when attached or incorporated by reference.

f. Other specifications.

H.4 GOVERNMENT PLANT FACILITIES

H.4.1 The Government will provide rent-free use of the Lima Army Tank Plant (LATP).

H.5 ADDITIONAL TAXES

Pursuant to FAR 52.229-4, the contract prices as stated herein specifically exclude Allen County Manufacturing Inventory Tax and Allen County Personal Property Tax on production inventories held at LATP, Lima, Ohio.

H.5.1 In the event GDLS or its subcontractors, vendors, etc., are required to pay duty, taxes, etc. as a result of off shore procurement it is agreed and understood between the parties that the contractor will be entitled to submit a separately priced proposal and the contractor or its subcontractor shall be entitled an equitable adjustment.

H.6 FACILITIES FUNDING

H.6.1 The contract prices set forth herein are based on the contractor utilizing Government-Owned Production and Research Property accountable under various other contracts, but within the period of performance of this contract, authorized for use hereunder on a rent-free basis.

H.6.2. It is understood and agreed that the prices set forth herein are also based on the Government continuing to provide sufficient facilities funding and authority to enable the Contractor to maintain a production capacity adequate to produce the M1 Series Tanks, as required by this contract, at a reasonable level of efficiency, through its normal repair, replacement and rehabilitation. It is also recognized and agreed that the normal repair, replacement and rehabilitation program may result in updated and more efficient methods and processes and that this has been contemplated in pricing of the contract efforts, and constitutes complete satisfaction of the facilities Equipment Modernization clause contained in the applicable facility contract. The cost of repairs to any item of Government Production and Research Property, Real Property or Installed Systems, including OPE and IPE, exceeding \$10,000 and repairs to Mobile Equipment that exceed of \$1,000, shall be accomplished by the Contractor under the respective (Lima or Scranton) facilities contracts. All such costs, not in excess of \$10,000 and \$1,000 respectively, per item, per occasion, are included in the price of end items under this contract as allocable items included in the applicable burden amount.

H.6.3. In the event that the Government does not provide facilities funding sufficient to maintain adequate production capacity, as stated above, it is foreseeable that the contractor's production effectiveness may be adversely affected. In such event the contract prices will be equitable adjusted to offset any adverse impact. In the event that modernization projects, as distinguished from the normal repair, replacement and rehabilitation program, are implemented so as to achieve improved and more efficient production results

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than contemplated in the pricing of contract performance, the contract prices will be equitably adjusted to credit the Government for the resulting savings.

H.7 RELATED CONTRACTS

H.7.1 It is understood by the parties that contractual undertakings presently specified in contract DAAE07-90-E-A001 (LATP Facilities),DAAE07-91-R-A002 (DATP Facilities), DAAE07-83-E-A001 (Sterling Facilities), DAAE07-83-E-A007 (Scranton Facilities) and successor contracts, will be continued during the period of performance of this contract and that utilities at LATP will be provided the Contractor on a no-charge basis.

H.7.2 The price for CLIN 0001 is predicated on a future modification under the MAP Contract, DAAE07-98-C-X168 to develop operations sheets and check sheets for the AIM Program. The parties further agreed that such contract actions would preserve the contractor's rights with respect to operations and check sheets. In the event the parties fail to execute such a modification to the MAP Contract or otherwise provide for development of operations sheets and check sheets for AIM production, this contract shall be equitably adjusted. In no event shall such an equitable adjustment exceed \$500,000. Failure to agree on such an equitable adjustment shall be considered a Dispute pursuant to the Changes Clause of this contract.

H.8 GOVERNMENT PRODUCTION AND RESEARCH PROPERTY

The award hereunder is based on the contractor and its subcontractors and vendors, for the period of performance of this contract, obtaining authority for rent-free noninterference use of Government Production and Research Property accountable under the following contracts. If any Government Property becomes unavailable for use by the contractor because of interference with another Government Program or otherwise, the provisions of FAR 52.245-2 (Government Property) (Alternate 1) shall apply

<u>CONTRACTOR</u>	<u>CONTRACT NUMBER</u>
Hughes Industries	DAAE08-87-E-A002
General Dynamics Land Systems, Inc.	DAAA25-74-C-0210
Cadillac Gage	DAAE07-82-E-0005
General Dynamics Land Systems, Inc.	DAAE07-91-E-A002
General Dynamics Land Systems, Inc.	DAAE07-83-E-A001
General Dynamics Land Systems, Inc.	DAAE07-83-E-A007
General Dynamics Land Systems, Inc.	DAAE07-89-C-R045
General Dynamics Land Systems, Inc.	DAAE07-90-E-A001
General Dynamics Land Systems, Inc.	DAAE07-92-C-A030
General Dynamics Land Systems, Inc.	DAAE07-91-E-A002
General Dynamics Land Systems, Inc.	DAAE07-83-C-R129
General Dynamics Land Systems, Inc.	DAAE07-91-C-A037
General Dynamics Land Systems, Inc.	DAAE07-90-C-A021
General Dynamics Land Systems, Inc.	DAAE07-93-C-A016

H.9. OSHA AND EPA LAWS AND REGULATIONS

Contract prices do not include any contingent cost for corrections to Government Production and Research Property, nor for related costs and penalties that may be incurred as a consequence of such property not being in compliance with OSHA and EPA regulatory requirements. If the noncompliance of any Government Production and Research Property with OSHA or EPA requirements causes an increase in the cost of , or the time required for the performance under this contract, an equitable adjustment shall be made in the contract price or delivery schedule, or both, provided however, there shall be no adjustment for violations as a consequence of new Special Tooling and Special Test Equipment acquired nor for modification to existing Special Tooling and Special Test Equipment accomplished during performance of this contract. Notwithstanding this clause or pending negotiation of any equitable adjustment required under this clause, the Contractor is required to comply with all OSHA and EPA requirements. The Contractor will provide the Government written notice 30 days prior to incurring any cost required to comply with such requirements. In the event any standard is added, altered, modified, extended, delayed, postponed or otherwise changed subsequent to the date of definitization, the contract shall be equitably adjusted for costs associated with mandatory changes or other such changes the Government elects to implement.

H.10 RESERVED

H.11 SALES TO OTHER GOVERNMENT CONTRACTORS

11.1. The contractor agrees that it shall sell to the government and other government contractors (at any tier) for delivery during the term of this contract on a non-interference basis such parts and/or components of the Abrams Tank that it manufactures as requested by the Procuring Contracting Officer, on fair and reasonable terms.

H.11.2. The contractor agrees to use its best efforts to encourage its major subcontractor (items over \$100) as are requested by the PCO

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to agree to sell or perform for the Government or its other contractors any supplies or processes (including computer software) made or furnished by the subcontractor under this contract or any follow-on production contract on fair and reasonable terms.

H.12. VALUE ENGINEERING DATA

Data furnished in accordance with the provisions of the clause entitled, "Value Engineering" (Mar 1989), FAR 52.248-1, pertaining to items, components, or processes developed at private expense will include only form, fit and function information as required by DOD-STD-100 under the definition of "envelope drawing."

H.13 RESERVED

H.14 RESERVED

H.15 MATERIAL COST

The parties agree that the prices contained herein reflect the total cost for acquisition of material necessary for manufacturing the supplies to be acquired under the terms of this contract including any costs for loss allowance (buyout), alternate source development, vendor mortality, special means and material control labs.

H.16 COMMINGLING OF MATERIAL

The Contractor and its subcontractors are authorized to commingle material produced, purchased, or otherwise furnished by the Contractor and its subcontractors under this contract, with material inventory from all past and current M1 production contracts. Accordingly , use of the commingled material in all common usage areas under this or other contracts is hereby authorized, provided the material is new and meets current requirements for the vehicles to be delivered under this contract and provided such material is issued for use on a first-in, first-out inventory basis to the maximum extent practicable. For the purpose of this provision, the same part manufactured to different revision levels may be commingled, except where parts are specifically designated as obsolete by TDP revision.

H.16.1 The Contractor is authorized to commingle "REFURBISHED" material under this Delivery Order DAAE07-01-G-N001/0002 with "REFURBISHED" material under Delivery Order DAAE07-01-G-N001/0007.

H.16.2 The parties agree that 16 Upgraded Tank Commander's Panels (UTCPS) that were previously installed in PY3 vehicles will be repaired by GDLS' subcontractor, CDC Canada and returned to the Lima Army Tank Plant for use in AIM production vehicles. These 16 UTCPS will continue to be warranted for the remainder of the original manufacturere's warranty period. In addition to the remainder of the original warranty; the 16 repaired UTCPS will receive a warranty for a period of 12 months on the repair work done. If the repaired item should fail within the 12 months warranty period for the same reason, the contractor will repair the failure at no additional cost to the government. The DD250 will be marked to identify each of the repaired UTCPS and a summary of the failure that was repaired, along with serial number of vehicle. The parties further agree that the government will not be charged for any cost for repair, shipping, etc. associated with these 16 UTCPS.

*** END OF NARRATIVE H 001 ***

H.17. SYSTEMIC WARRANTY

H.17.1. Definitions:

H.17.1.1. "Acceptance" is execution by an authorized Government Representative of a DOD Form 250 and means the act by which the Government assumes, for itself or as an agent of another, ownership of the identified supplies or recognizes completion of total performance specified in the contract.

H.17.1.2. "Supplies" are the end item vehicle and each component thereof furnished by the Contractor under this contract. The word includes system software, but does not include any other "data," such as documentation, technical manuals, software not integrated in on-tank vehicle systems, reports, and the like.

H.17.1.3. "Vehicle" is the Abrams Series Tank delivered under this contract.

H.17.1.4. "Failure" is any condition or characteristic in any supplies furnished under the contract, that is not in compliance with the requirements of the contract and authorized maintenance documentation.

H.17.1.5. "Essential Performance Requirement" is defined as delivered vehicles under warranty meeting the requirements in C.3 of the Contract.

H.17.1.6. "Design and Manufacturing Requirements" are defined as those structural and engineering plans and manufacturing particulars, including precise measurements, tolerances, materials and finished product tests for the system being produced, as identified in H.17.1.5. above.

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H.17.1.7. A "Warranted Design Item" is defined as an item of "supplies" in H.17.1.2., which:

- a) is introduced into the baseline configuration by a unilateral decision of the Contractor; or
- b) is introduced into the baseline configuration by a change to design, manufacturing, or software requirements embodied in an executed contract change order to the baseline configuration and which has satisfactorily completed the appropriate development and planned tests, as mutually agreed upon, by cognizant Contractor and Government technical personnel.

H.17.1.8. "Defects" are defined as:

a) Any condition or characteristic in "supplies" that is not in compliance with the requirements of the Prime Item Product Fabrication Specification, Tank, Combat, SC-X-10020, Rev K dated 14 January 1993, including SCNs 1,2,3,4,5,6,7,10 and ECP H8T2024 (Eyesafe Laser Rangefinder Gunner's Primary Sight).

b) "Defects" under the above Prime Item Product Fabrication Specification are defined as specification non-compliance(s) resulting from the introduction of a warranted design item as defined in H.17.1.7.1. a) or b). For the purpose of this paragraph a specification non-compliance is a non-compliance to the Prime Item Product Fabrication Specification to the extent that the Contractor has achieved compliance as previously documented by the Contractor and/or Government test results referenced in Section C.3. of this Contract.

c) During this Contract, a test may result in achievement of a characteristic which i) was previously untested or ii) confirms the correction to a known prior non-compliance. Notice of such test will be made in accordance with Section C.3. of the contract. If any Warranted Design Item change is introduced subsequent to such test and the change degrades the newly demonstrated compliance, then the degradation will constitute a defect under this clause. This requirement will be applicable on a prospective basis.

H.17.1.9. The word "Defect" does not apply to known hardware non-compliance(s) in the current vehicle baseline as defined in section C.3. of the Contract.

H.17.1.10. "Redesign" is defined as the remedy applicable to correct defective warranted design items when workmanship and material and manufacturing non-conformance have been eliminated as the cause of the failure or defect. "Redesign" applies to systemic defects only.

H.17.1.11. "Systemic Defect" is a classification of failures which occurs, or may occur, with a frequency, pattern, or sameness to indicate a logical regularity of occurrence which exceeds expected failures and would justify multiple vehicle corrective action.

H.17.1.12. A "Production Lot" for this contract, delivery order 0002 for is the 135 tanks produced under this delivery order.

H.17.1.13. "Appropriate development and planned tests," as it is used in H.17.1.7, is defined as development together with verification testing that is commensurate with the complexity of the subject change as mutually agreed between the parties. Verification testing may include component, subsystem, system and vehicle level testing, incorporating environmental, EMI, EMC, NBC and Nuclear Testing and any necessary vehicle level verification to include confirmation to the Prime Item Product Fabrication Specification, the System Specification, testing in accordance with the FIR and funded by the Government under the current STS contract. In the event that the Government fails to conduct any of the agreed upon testing the parties agree that any characteristic not tested shall not be warranted until such time as the Government funds and the Contractor successfully completes testing on that characteristic as defined in the appropriate test plan.

H.17.2. Coverage:

H.17.2.1. Notwithstanding inspection and acceptance by the Government of supplies furnished under this Contract or any clause of this contract concerning the conclusiveness thereof, the Contractor warrants for the periods set forth herein that all supplies provided under this Contract:

- a. Will be free from all defects in material and workmanship at the time of delivery that would cause the warranted items to fail to meet the requirements of this Contract.
- b. Will conform to the design and manufacturing requirements set forth in Section C of this contract; and
- c. Will meet the essential performance requirements identified in Paragraph H.17.1.5. above.

H.17.2.2. The Contractor will, to the extent the Contractor's suppliers customarily provide to customers a greater Warranty covering specific supplies, provide such greater warranty as available for those specific components. The Contractor shall identify such supplies and warranty duration upon invocation of the warranty by the Government.

H.17.3. Contractor Liability: The Contractor's maximum liability under this entire clause H.17 for the cumulative corrective action taken on supplies delivered under this contract is "To Be Determined".

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H.17.4. WARRANTY FOR SYSTEMIC DEFECTS:

H.17.4.1. MATERIAL REPAIR/REWORK/REPLACEMENT: In the event the Government determines that a systemic defect exists in the warranted vehicles delivered under this contract, and such defect is determined to be the result of a breach of any of the warranties set forth in paragraph H.17.2 above, then the Contractor shall be liable for timely correction of such systemic defect(s) by repair, rework or replacement of the defective supplies. The Government shall provide reasonable evidence in support of each claim of systemic defect, and where necessary evidence of adequate testing of the warranted design items, to establish the nature of the defect at Government expense. Government expense shall include payment to the Contractor for locating and identifying any failed components in tanks which have been unconditionally accepted by the Government, when so directed to do so by the ACO.

H.17.4.2. REDESIGN: In addition to the remedy set forth in paragraph H.17.4.1. above, if such a systemic defect exists in a warranted design item, the Contractor shall be liable for redesign of such defective item including any testing required to validate/qualify the proposed redesign, any other effort normally associated with an ECP, provide the redesigned item for vehicles delivered with the defective item and incorporation of the redesign into remaining vehicles to be manufactured under this contract, at no increase in cost to the Government.

H.17.4.3. NOTICE OF A CLAIM: Any claim for correction of a systemic defect, including redesign effort, shall be invoked by the ACO giving notice to the Contractor within forty-five (45) days after the conditions evidencing systemic defect as set forth in this clause have been provided to the ACO. The Contractor shall have no liability under this warranty unless such notice is received within forty-five (45) days after completion of the applicable warranty period for systemic defects relating to workmanship and material, design and manufacturing requirements, essential performance requirements or warranted design items. Similarly, the Contractor shall have no liability for System Specification non-compliance unless the ACO documents with the notice of claim that the noncompliance was a defect as defined in H.17.1.8.. The ACO's notification to the Contractor will include the applicable equipment serial number or the part number or the Federal Stock Number of the defective part, location of equipment to the best of the Government's knowledge, the circumstances surrounding the defect(s), evidence of adequate testing including appropriate test reports if not in the Contractor's possession for warranted design claims, and a point of contact to include phone number. The Government shall provide the Contractor at its request, all reasonably available test data related to a test report(s) provided in a claim, if the data is not included in the report(s).

H.17.4.4. The Contractor shall submit to the ACO a written reasonable recommended redesign plan or corrective action plan within forty-five (45) days, or such other period as may be mutually agreed, after receipt of the ACO's notice in accordance with H.17.4.3. The ACO shall, within thirty (30) days after receipt of the Contractor's redesign plan or corrective action plan, either accept or reject the plan. If the Government accepts the plan, the Contractor will proceed with the redesign effort or corrective action at the Contractor's expense. If the Contractor's recommended plan is determined to be inadequate, the Contractor shall be informed of the extent of the inadequacies and shall submit a revised recommendation within thirty (30) days after receipt of such information.

H.17.4.5. The Contractor upon receipt of a warranty claim will provide in the Contractor's format, the Government with warranty tracking data pertaining to the claim to the extent such data may be available in the Contractor's system.

H.17.4.6. If the initial and/or revised recommended redesign is reasonable and can be demonstrated to correct the systemic defect, but the Government directs an alternative design to be implemented, the Contractor shall be entitled to an equitable adjustment for any increased cost to the Contractor caused by implementing the Government's redesign rather than the Contractor's recommended design. In such an event, the Contractor shall have no continuing warranty obligation with respect to the Government directed redesign.

H.17.4.7. Where the Government funded tests for a warranted design item are not satisfactorily completed until after incorporation of the design change into the contract, warranty coverage shall commence when items incorporating the design change are initially incorporated into supplies, except that when the item configuration has been further changed as a result of test problems, warranty coverage shall commence when the item containing the configuration that satisfactorily completed the Government funded tests was initially incorporated into supplies.

H.17.5. WARRANTY PERIOD:

H.17.5.1. The warranty for material and workmanship for Systemic Defects shall extend from the date of acceptance of the AIM XXI vehicle at LATP for a period of fifteen (15) months. If the contractor receives notice of a valid material or workmanship defect within this warranty period, the contractor shall correct such defect in all tanks in which it occurs within the unbroken production lot of the tank upon which notice was given.

H.17.5.2. The Contractor's responsibility for redesign of warranted design items delivered under this contract shall continue for a thirty-six (36) month period following first delivery of the component, part, or system software in a warranted vehicle.

H.17.6. RIGHT TO EQUITABLE ADJUSTMENT:

H.17.6.1. If, upon determination of a warranty claim as provided under H.17.4, the Government elects to repair the warranted items at Government expense, or if the Government elects not to require redesign, repair or replacement of defective or non-conforming warranted supplies to which it is otherwise entitled at Contractor expense under this warranty, the Contract shall be subject to a downward equitable adjustment.

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H.17.6.2. The amount of the equitable adjustment for repair/replacement of warranted supplies shall be the lower of the replacement cost or the agreed upon repair cost to the Contractor. The replacement cost shall be the amount originally charged to the Government in the Contractor's Bill of Material for the defective supplies plus Contractor mark-ups and profit (Component's price not cost). The Contractor shall forward payment quarterly for all warranty claims by the Government for money reimbursement which were resolved during the previous quarter. Payment shall be sent to the Abrams PM Office, Plans and Program Branch (SFAE-ASM-AB-PP) with checks made out to "THE TREASURER OF THE UNITED STATES (SFAE-ASM-AB-PP)", with a list identifying the user's warranty claim number, date of the claim, amount of each, and contract number under which each claim arose. A copy of the list marked with the identifying check number shall be provided to the ACO concurrent with payment. The Contract will be equitably adjusted in an amount equal to the payment.

H.17.7. Field Maintenance Responsibility and Liability:

H.17.7.1. Maintenance performed by Government personnel in accordance with published maintenance procedures, shall not void any coverage under this warranty and shall be at Government expense, including parts and labor.

H.17.7.2. There will be no voiding of warranty for use by the Government of MIL Spec Parts unless it can be determined that failure is caused thereby.

- H.17.8. Exclusions: The provisions of this warranty shall not apply to any warranted supplies if failure has been caused by:
- a. Improper installation or maintenance by the Government.
 - b. Operation contrary to the validated and verified Technical Manuals (TMs), design operating parameters, or other written instructions provided to and approved by the Government in such a way as to be a principal cause of the failure.
 - c. Repair or alteration by the Government in such a way as to cause the failure.
 - d. Misuse, neglect, or accident, including, but not limited to, fire or explosion.
 - e. Participation in a combat mission or having sustained combat damage from a combat mission.
 - f. Operation outside the specific installation and operating limits specified in Prime Item Product Fabrication Specification or System Specification operating parameters in such a way as to be a principal cause of the failure.
 - g. Foreign object damage.
 - h. Installation or operation in other than its intended use.
 - i. Force Majeure, subversion, riots, vandalism, or sabotage, or fire or explosion induced by or originating from sources external to the warranty items.
 - j. Damage attributable to improper packaging, crating, handling, or storage by the Government to the extent of said damage.

H.17.9. Disclaimers and Limitations:

- H.17.9.1. Disputes arising under this contract shall be resolved in accordance with the clause of this contract entitled "Disputes."
- H.17.9.2. This warranty is the only warranty applicable to the supplies delivered hereunder and is expressed in lieu of all other guarantees or warranties, express or implied, including any implied warranty of merchantability or fitness for a particular purpose. Additionally, the Contractor shall not be liable for consequential damages resulting from a failure under this clause of supplies delivered hereunder.
- H.17.9.3. With respect to Government-Furnished Property (GFP), the Contractor's warranty including its warranty with respect to design shall extend only to proper installation in accordance with the TDP so as not to degrade its performance and/or reliability, unless the Contractor is required to perform modification or authorized repair on such property, in which case the Contractor's warranty shall extend to such modification or authorized repair.
- H.17.9.4. Unless specifically provided under this contract, this warranty is non-transferable to other than the intended user of the vehicles.
- H.17.9.5. The rights and remedies of the Government provided in this clause:
- a. Shall not be affected in any way by any terms and conditions of this contract concerning the conclusiveness of inspection and acceptance.
 - b. Are in addition to, and do not limit, any rights afforded to the Government by any other clause of this contract including, but not limited to, initial acceptance test criteria.
- H.17.9.6. Individual claims where the total amount of systemic defect hardware replacement/repair prices are less than \$75,000 each will not be covered by this clause.
- H.17.9.7. The Contractor shall not be liable for warranty claims if it is determined that the failed part(s) was provided by any source other than the Contractor.
- H.17.9.8. The Government will provide the Contractor with reimbursement for reasonable and necessary expenses incurred for analysis,

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inspection and testing of alleged systemic defects where no failure is determined to have occurred and the warranty claim was asserted without reasonable cause.

H.17.9.9. The Government shall bear the costs and liability for transportation resulting from actions under this clause.

H.17.10. Bar Coding: If the Contractor elects to bar code parts or components, information collected pursuant to the Bar Coding system shall be made available to the Government upon request.

H.17.11. OTHER: The parties agree that the contract as awarded includes no direct cost for administration or contingent costs related to this warranty. The parties further agree that the Prime Contractor's own direct administrative or contingent costs related to warranty shall not be recoverable under any equitable adjustment made pursuant to the Changes clause of this contract.

H.18. SPECIAL TOOLING AND SPECIAL TEST EQUIPMENT

H.18.1. Special Tooling and Special Test Equipment acquired or accountable under Contracts DAAE07-93-C-A003 and DAAE07-95-C-0292 to be used on this contract shall be authorized on a rent free use non-interference basis under contracts DAA07-93-C-A003 and DAAE07-95-C-0292.

H.18.2. The contractor and the Government recognize that the Contractor has in its possession various items of Special Test Equipment and Special Tooling necessary for the manufacture of the M1A1 Abrams Tank under this contract to which the Government has acquired a title under contract DAAK30-77-C-0007 and the Capacity Engineering Support provisions of the prior Abrams tank production contracts, and that such STE and ST are normally acquired under the fixed price tank contract in the absence of the above referenced contractual arrangements. The parties further recognize that it is not in their mutual interest, practicable, nor of benefit ot the Government for the Contractor to be required to comply with property administration procedures otherwise applicable to such items of Government property. Accordingly, the parties hereto agree that the Contractor shall modify repair, replace and rehabilitiate, as necessary, such items of Government property so as to assure their full suitability for the manufacture of M1A1 Abrams Tanks, at no further cost to the Government, and that the Contractor shall administer such Government propoerty soley in accordance with the terms of the Special Tooling clause contained herein.

H.19. RESERVED

H.20. PLANT EMPLOYEE LAYOFF NOTIFICATION

(a) The purpose of this clause is to set forth the requirements for notificattion of contractor employee layoffs at Government Owned, Contractor Operated (GOCO) plants and plants operated under a Facility contract.

(b) These requirements are applicable when it is determined by the operating contractor that the circumstances require either the layoff of 50 or more contractor employees or 10 percent of the contractor's work force. These procedures do not apply to:

- (1) Furloughs or temporary layoffs (i.e., those which are expeditd to last for no more than 60 calendar days).
- (2) "Seasonal" layoffs consistent with the conditions of employment and identified to employees at the time of employemnt.
- (3) Layoffs of personnel whose duties are not in direct support of the basic GOCO or Facility contract (i.e., employees performing under "third party" contracts).
- (4) Plants with fewer than 50 contractor employees.

(c) The Contractor must notify the Procuring and Administrative Contracting Officers (PCO and ACO) at least 10 days before it gives notification to its employees of any plant closing or covered reduction in work force.

(d) The notification to the PCO and ACO will be in writing and include the following information:

- (1) Name and location of the affected plant(s).
- (2) Name and address of contractor resource management representative.
- (3) Number of hourly personnel affected and date of proposed nofication/separation.
- (4) Number of salary personnel affected and date of proposed notification/separation.
- (5) A statement which specifically identifies the reason for the layoff.
- (6) The estimated sum of the annual wages of the affected employees.
- (7) Number of contractor employees prior to layoff.
- (8) A draft of any proposed press and public announcement (or a statement that no announcement is contemplated), indicating who will receive the announcement and the exact time and date the information will be released.

H.21. RESERVED

H.22. RESERVED

H.23. RESERVED

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H.24. RESERVED

H.25. CONTRACTOR PROVIDED MATERIAL

H.25.1. The parties have agreed on a unique supply arrangement for this contract involving Anniston Army Depot (ANAD) and General Dynamics. The parties wish to clarify certain rights and responsibilities with respect to that arrangement.

H.25.2. Pursuant to Clause C.7, the unit price of CLIN 0001 (PY4) includes the purchase of material to be utilized by Anniston. The cost to remove and replace defective equipment received from Anniston including the packaging, handling and preparation cost for return shipment to Anniston is included under CLINs 0001. The Government shall bear the cost to return the damaged and/or defective material to Anniston. There will be no adjustment under this contract for the labor or material. The cost of installation of equipment identified on Attachment II GFM is included in CLINs 0001 but the removal and/or replacement is separately priced under CLIN 0002.

H.25.3. If the contractor provides nonconforming material to ANAD, there shall be no adjustments to this contract.

H.25.4. If the contractor provides conforming material, and late delivery by the contractor to ANAD contributes to late delivery of components from ANAD to the contractor, then the contractor shall be entitled to schedule adjustments pursuant to the Government Property Clause of this contract.

H.25.5. Except where the contractor's supplies to ANAD contribute to defects, damage or late delivery from ANAD, the contractor shall be entitled to all adjustments available to it under the Government Property Clause of this contract. Alternatively, if tanks are otherwise ready for acceptance and the contractor is missing parts supplied by ANAD, the contractor at its sole discretion may elect the alternate remedy in subparagraph H.25.5.2 below. This provision includes instances where the contractor must provide additional materials to ANAD to fix damaged or defective supplies, so long as the contractor's own supplies were conforming supplies.

H.25.5.1 The parties agree that price adjustments shall be limited to the direct and indirect costs associated with line disruptions.

H.25.5.2. If tanks are otherwise ready for acceptance and the contractor is missing Government Furnished Material including parts supplied by ANAD, the contractor may elect conditional acceptance of tanks as a remedy. Subject to verification that the conditions of this clause have been met, tanks shall be conditionally accepted by the Government. Conditional acceptance by the Government shall be deemed to release the Government from claims for equitable adjustment for late delivery of Government Furnished Material on any tanks so accepted.

H.25.6. Failure to agree on an adjustment pursuant to this provision shall be considered a dispute pursuant to the Government Property Clause of this contract.

H.26 OPTION FOR INCREASED

H.26.1 OPTION FOR INCREASE QUANTITY, FIVE PY5 VEHICLES

H.26.2 The Government hereby reserves the right to increase the quantity of the contract up to an additional quantity of five (5) AIM 11th year vehicles. The unit price for such option vehicle quantity shall be \$608,691. It is noted that the \$608,691 vehicle price is contingent on the award of PY6 material prior to option call up. If PY6 material is not awarded the unit price for the option vehicles is \$672,487.00. The parties agree that the unit price(s) established for this option quantity already has the material credit applied as described in clause H.31 (for five of the six 11th year vehicles); and is based on 11th year vehicles being inducted for the option quantity. This option may be exercised by the Government at anytime, but in any event not later than August 31, 2003. In addition, such option may be exercised in increments, subject to the stated total additional quantity limitations, price(s), and the above stated time for exercise of the option.

H.26.3 The delivery schedule for the items added by the exercise of this option will be as negotiated at the time of the exercise of option quantity; with the understanding that all deliveries will be made no later than July 31, 2004.

H.27 PROVISION TO CHANGE CONTRACT FINANCING

The parties agree to pursue converting the financing for the Delivery Order and Modification thereto from Progress Payments to Performance Based Payments.

H.27.1 The parties agree that the contract financing was changed under Modification 06 from Progress Payments to Performance Based Payments.

H.27.2 Performance Based Payments PY5 Labor

The parties agree to negotiate and incorporate the contractor's Performance Based Payment Plan for PY5 Labor no later than 30 April 2003.

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H.27.3 Performance Based Payments PY6 Material

The parties agree to negotiate and incorporate the contractor's Performance Based Payment Plan for PY6 Material no later than 30 April 2003.

*H.27.4 Performance Based Payments PY6 Labor

The parties agree to negotiate and incorporate the contractor's Performance Based Payment Plan for PY6 Labor no later than 31 March 2004.

H.28 INTERIM ARMORED VEHICLE (IAV) RATE ADJUSTMENT PROCEDURE

H.28.1 The current negotiated tank prices include rates based on the survival of the IAV contract with General Motors Corporation Canada (GMCC) / General Dynamics Land Systems. At this time, the IAV contract has been awarded, has been protested, and is under a stop-work order. Contract prices may be subject to an adjustment as described in H.28.2 through H.28.8 as follows.

H.28.2 By 1 July 2001 if there is a stop work order on any part of the IAV award as a result of the protest, or if the IAV contract is terminated as a result of the protest, the Contractor may elect under H.28 to either temporarily delay (90 days), or proceed with adjustment. If the contractor elects to proceed with adjustment, the Government has the unilateral right to elect the method of offsetting price increases as follows: 1) equitably adjust the AIM PYMaterial CLINs, 2) Reduce the PY4 Material Quantity Requirements, or 3) Any combination of 1 through 2. All contract changes shall be incorporated pursuant to the "Changes Clause".

H.28.3 The parties agree that if there is a stop-work order on any part of the IAV award as a result of the protest by 1 July 2001, or if the IAV contract is terminated as a result of the protest, the parties agree to re-negotiate the procurement rates and G&A rates in all calendar years to adjust for and solely for the impact of the IAV contract delay or termination. The adjustment to these rates may be up or down. Other cost elements are not subject to re-negotiation or adjustment under this clause. In no event shall the re-negotiated procurement and G&A rates exceed those identified in TACOM, AMSTA-LC-CAE letter dated 5 March 2001, which is incorporated herein by reference.

H.28.4 The negotiated PY4 Material prices shall be adjusted using the renegotiated procurement and G&A rates and using the procedure as identified in TACOM, AMSTA-LC-CAE letter dated 5 March 2001 which is incorporated herein by reference.

H.28.5 The parties agree that if there is a stop work order on any part of the IAV award as a result of the protest by 1 July 2001, or if the IAV contract is terminated as a result of the protest, and the government makes the decision to reduce the PY4 Material will be reviewed in accordance with the contract.

H.29 EQUITABLE ADJUSTMENT FOR REVISED OVERHEAD

H.29.1 The parties recognize that the projected production business base for calendar years 2003, 2004, and 2005 (as reflected in the Forward Pricing Rate Recommendation of November 15, 2002) has become the basis, for the costs and prices for the vehicles to be delivered in those periods under this Contract. Variations in total business base, such as the potential reductions to the Abrams Tank programs, will have an impact on the cost of supplies to be delivered in those years. In addition, the Contractor has identified an under funding of the Voluntary Employee Beneficiary Association (VEBA) Trust established for the Accumulated Post-retirement Benefit Obligation (APBO) in accordance with FASB106. The Contractor's pool costs will increase in order to fund this obligation

H.29.1.1 The Contractor and the Division Administrative Contracting Officer (DACO) shall negotiate a Forward Pricing Rate Recommendation(FPRR) no later than February 15, 2003. The parties agree that base labor hours, base material, and nonrecurring expense are firm and will not be adjusted. Only forward pricing factors are subject to adjustment. Cost of money factors, and profit rates will be applied to the resulting adjusted bases:

<u>BASE</u>	2003	2004	<u>Total</u>
Labor Hours			
04 SCR Prod/Oper Rep R04T	16,506.0	21,247	37,753
10 LTP Prod/Oper Rep R10T	78,971.0	105,411	184,382
73 MSK Prod/Oper Rep R73T	5,796.0	7,461	13,257
90 TLH Prod/Oper Rep R90T	536.0	689	1,225
SB IMP Valley Prod Mgmt RSBT	6,048.0	<u>7,785</u>	<u>13,833</u>
TOTAL	107,857.0	142,593	250,450
UNIT HOURS			2,004

H.29.1.2 Once agreement is reached on the FPRR, the Contractor shall submit a revised pricing run for equitable adjustment under paragraph H.29.1 no later than February 28,2003. The adjustment shall be determined by applying the rates in such FPRR to the material,

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labor hours above and the other direct costs negotiated, as well as the negotiated profit rates.

H.29.1.3 The parties agree that the contract prices shall be equitably adjusted to reflect the new FPRR. If the adjustment is upward, then the Contract adjustment is limited to no more than \$4,500,000.00.

H.29.1.4 In the event that the Contractor does not reach agreement with the DACO on a FPRR, or the parties do not reach an agreement on the Contract adjustment, the Contracting Officer has the right to issue a unilateral modification to this Contract setting the equitable adjustment amount, subject to the "Disputes" provision of this Contract. The Contracting Officer unilateral modification shall be issued no later than March 31, 2003.

H.30 PY5 VEHICLE CHANGE CONTRACTOR OWED CREDIT/CONSIDERATION

The parties agree that as a result of introducing fourteen 8th year vehicles into the PY5 program, and the government providing funding to procure the unique material associated with these 8th year vehicles; that the Contractor owes the Government a credit/consideration for the eight sets of remaining unique material for 10th year vehicles and 6 sets of unique material for 11th year vehicles. The parties agree that the eight sets of material for the 10th year have a value of \$34,785.00 each, and the six sets of material for the 11th year have a value of \$23,013.00 each. It is agreed that the government may apply the available vehicle material credit/consideration for future induction call ups of 10th and 11th year vehicles.

*H.31 PY6 PROGRAM 8TH YEAR VEHICLE INDUCTION CHANGE, CREDIT/CONSIDERATION CONTRACTOR OWES TO GOVERNMENT

The parties agree that as a result of introducing six 8th year vehicles into the PY6 program, and the government providing funding to procure the unique material associated with these 8th year vehicles, that the Contractor owes the Government a credit/consideration for the six sets of remaining unique material for 10th year vehicles that was previously procured under clause C.3.6 "PY6 Vehicle Material Sets". The parties agree tht the six sets of 10th year material have a vlue of \$35,802.00 each. It is agreed that the Govenrment may apply the available vehicle material credit/consideration for future induction call ups of 10th year vehicles.

*Added by Modification 37, previously changed by Modification 17

*** END OF NARRATIVE H 002 ***